

Council Paper

Item 4.1
Council/Committee Meeting
05/05/2022

SUBJECT:	Fees and levy consultation – ‘in principle’ decisions, further modelling information and decision on whether to re-consult		
TO:	Governing Council		
FROM:	Clive Jones, DCE Operational Services		
PREPARED BY:	[REDACTED] Ian McEwan, Chief Financial Officer, Finance [REDACTED]		
FOR:	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Discussion	<input type="checkbox"/> Information

Recommendations

It is recommended that the Governing Council:

- i. **Notes** the information and analysis provided further to the Governing Council hui of 28 April 2022.
- ii. **Agrees** whether to adopt or revise the ‘in principle’ decisions made in relation to the proposals described in the fees and levy consultation document of 18 February 2022.
- iii. **Agrees** whether to adopt or revise the ‘in principle’ decisions made about proposed additional savings.
- iv. **Notes** the Council can re-consult with the profession if it considers this is necessary or desirable.
- v. **Notes** re-consultation should be undertaken if this is necessary to ensure fairness and if there is a substantial shift of focus after consultation or if there is significant new information or a change in the proposal, but not if the change is only a reorganisation of previous proposals.
- vi. **Agrees** to undertake a further period of consultation of two weeks commencing on 12 May 2022.

Purpose

1. The purpose of this paper is to provide further information and analysis as requested at the hui of 28 April 2022 to assist with decision-making about whether to:
 - a. adopt or revise the 'in principle' decisions made in relation to the proposals described in the *Consultation Document – Proposed fees and Levy 18 February 2022*.
 - b. adopt or revise the 'in principle' decisions made about proposed additional savings
 - c. re-consult on any proposed changes.
2. The information provided forms part of the pool of information relevant to deciding what fee increase and levy should apply for the three financial years 2022 to 2025. The paper aims to support the Council's risk assessment and decision-making process, which includes deciding if a further period of re-consultation should be undertaken.

Background

3. In accordance with section 480(4)(a) of the Education and Training Act 2020 (Act) the Council is consulting with teachers and holders of a limited authority to teach on proposed increases to fees and the imposition of a levy for the purposes of funding the Teaching Council's functions set out in section 479(1) of the Act.
4. A consultation document was published on 18 February 2022 and teachers and holders of LAT were invited to provide their feedback by 1 April 2022. Some individuals were granted extensions of time to make submissions and some submitters were invited to speak to their submissions or give further feedback to the Governing Council in person.
5. The Governing Council reviewed and considered key themes emerging throughout the consultation period and during an initial assessment of feedback at its hui of 14 April 2022. The feedback considered at that meeting included written submissions made by peak bodies and individual teachers, oral submissions and advice based on a preliminary analysis of survey results provided by external provider Public Voice.
6. As its hui on 28 April 2022, the Governing Council received a presentation of the Public Voice report of the feedback received, and heard further oral submissions, including from the PPTA. After consideration of the feedback received and further information provided in response to queries raised at the 14 April 2022 hui, the Governing Council made a series of 'in principle' decisions in relation to potential additional savings and the proposals set out in the consultation document.
7. These 'in principle' decisions have been modelled to show how they impact on the Council's ability to operate in a financially responsible manner and how, if implemented, they would impact on the proposed fees and levy proposed in the *Consultation Document – Proposed fees and Levy 18 February 2022*.

Discussion and decisions

Consideration of feedback on submissions received and 'in principle' decisions

8. Appendix One sets out the 'in principle' decisions made in relation to the ten proposals in the *Consultation Document – Proposed Fees and Levy 18 February 2022*.
9. Proposal 1 was to "Set fees and the levy for teachers and holders of LATs (as set out in Tables 1 and 8), to cover the Council's actual and reasonable operating costs". We have carried out further modelling to assess the impact on the proposed fees and levy if changes to services and other potential areas of savings as outlined further below were to be implemented. To be clear, the proposal remains to set fees and levies that recover only the Council's actual and reasonable operating costs, but to consider making changes to what services the Council provides and/or how those services are performed to potentially reduce those costs. This may have an impact on the level of service teachers and holders

of LATs expect and desire and there may be merit in seeking feedback on proposed changes if the feedback to date is not sufficiently clear on this. **Pending a final decision on whether you wish to consult further on these proposed changes.**

Agree/Disagree/Agree with amendments

10. Proposal 2 was to “Charge the same levy for teachers and for holders of LATs”. At the 28 April 2022 hui the Governing Council made an ‘in principle’ decision to review the levy proposed for LATs in light of feedback that holders of LAT should not have to pay levy costs associated with functions they do not directly benefit from or have an interest in. Appendix Two provides an “Analysis of functions that relate to holders of a Limited Authority to Teach”. A decision is required about whether Pou Aro Whakamua (steering the future of teaching) applies to LATs. **Pending a final decision on whether you wish to consult on this proposed change.**

Agree/Disagree/Agree with amendments

11. Proposal 3 was to “Charge a higher fee for overseas teachers for registration and their first Tōmua | Provisional practising certificate to reflect the additional costs involved in evaluating their applications”. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to increase this fee by \$100 as per the *Consultation Document – Proposed fees and Levy 18 February 2022*.
12. If this in principle decision is confirmed, there is no need to re-consult on this proposal since it is as originally proposed. However, if other changes to the proposal are the subject of re-consultation, then this in principle decision should be referred to in the re-consultation document so that teachers can see how the overall proposals fit together and have an opportunity to make submissions on the proposals in the round.
13. Proposal 4 was to “Charge a higher fee for Tōmua | Provisional or Pūmau | Full (Category Two) certificated teachers applying for a Tūturu | Full (Category One) practising certificate, to reflect the additional costs involved in evaluating those applications”. After reviewing feedback on this proposal, the Governing Council made an ‘in principle’ decision at the 28 April 2022 hui to consider removing in full the additional fee that applies to the issue of a first Tūturu | Full (Category One) practising certificate, or when a teacher is seeking to move from Pūmau | Full (Category Two) to Tūturu | Full (Category One). Further analysis following this in-principle decision has indicated that the removal of the additional fee may not reflect the actual and reasonable costs of processing these applications. Further analysis has estimated this to be \$23.00 per application. A decision is required about whether to **remove** the additional fee, **retain** the additional fee as consulted on or to apply a **reduced** fee that reflects the actual and reasonable costs - see Appendix Four. **Pending a final decision on whether you wish to consult on this proposed change.**

Agree/Disagree/Agree with amendments

14. Proposal 5 was to “Continue to fund the cost of providing conduct and discipline functions collectively from all teachers and holders of LATs”. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to accept and implement this proposal. If this in principle decision is confirmed, there is no need to re-consult on this proposal since it is as originally proposed, but if other changes to the proposal are the subject of re-consultation, then this in principle decision should be referred to in the re-consultation document. This would allow teachers to see how the overall proposals fit together and to have an opportunity to make submissions on the proposals in the round.
15. Proposal 6 was to “Continue to fund the cost of establishing standards for initial teacher education qualifications and approving ITE programmes collectively from all teachers and holders of LATs with ITE providers contributing towards approval, review and monitoring of their programmes.” At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to adjust this proposal to exclude LATs from

any levy costs associated with ITE in light of feedback that holders of LATs should not have to pay levy costs associated with functions they do not directly benefit from or have an interest in. See Appendix Two. **Pending a final decision on whether you wish to consult on this proposed change.**

Agree/Disagree/Agree with amendments

16. Proposal 7 was to “Explore the viability of a ‘buy now pay later’ instalment option for payment of fees and the levy”. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision not to explore this option further in light of feedback that indicated there was little support for a buy now pay later option. **Pending a final decision on whether you wish to consult further on this proposal.**

Agree/Disagree/Agree with amendments

17. Proposal 8 was to “Explore the viability of options to pay fees and the levy by instalment, in regular, small amounts”. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to continue to explore options in light of feedback that there was some support for this option. **Pending a final decision on whether you wish to consult further on this proposal.**

Agree/Disagree/Agree with amendments

18. Proposal 9 was to “Fix fees and the levy for a three-year period, with an allowance for expected inflation over the period.” At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to fix the fees and levy for a three-year period with an allowance for expected inflation over the period. If this in principle decision is confirmed, there is no need to re-consult on this proposal since it is as originally proposed if other changes to the proposal are the subject of re-consultation, then this in principle decision should be referred to in the re-consultation document so that teachers can see how the overall proposals fit together and have an opportunity to make submissions on the proposals in the round.

19. Proposal 10 was to “Increase the late fee from \$50 to \$100”. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to retain the existing late fee of \$50.00 in light of feedback that the proposed increase may have an unfair financial impact on some teachers and holders of LATs. **Pending a final decision on whether you wish to consult on this proposed change.**

Agree/Disagree/Agree with amendments

Consideration of information about potential additional savings and ‘in principle’ decisions

20. Appendix Three sets out the ‘in principle’ decisions made in relation to the options for applying potential additional cost savings.

21. Savings option 1 related to savings arising from vacancies. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to accept these savings of \$386,852. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.

22. Savings option 2 related to savings arising from Board travel. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to accept the potential savings of \$73,542. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.

23. Savings option 3 related to savings arising from projects. At the 28 April 2022 hui, the Governing Council made an ‘in principle’ decision to reduce the potential savings by half to \$300,000. Pending

a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.

24. Savings option 4 related to savings arising from Professional Responsibility travel. At the 28 April 2022 hui, the Governing Council made an 'in principle' decision to accept the potential savings of \$100,000. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.
25. Savings option 5 related to savings arising from ceasing the priority Police vetting service. At the 28 April 2022 hui, the Governing Council made an 'in principle' decision to decline the potential savings of \$279,000. Pending a final decision on whether you wish to decline these proposed additional savings if proposing revised fees and levy.
26. Savings option 6 related to savings arising from processing efficiencies in registration. At the 28 April 2022 hui, the Governing Council made an 'in principle' decision to reduce the potential savings by half to \$120,000. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.
27. Savings option 7 related to savings arising from additional recoveries from ITE providers. At the 28 April 2022 hui, the Governing Council made an 'in principle' decision to accept the potential savings of \$400,000. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.
28. Savings option 8 related to savings arising from processing efficiencies in ITE. At the 28 April 2022 hui, the Governing Council made an 'in principle' decision to reduce the potential savings by half to \$100,000. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.
29. Savings option 9 related to savings arising from ITE-related travel. At the 28 April 2022 hui, the Governing Council made an 'in principle' decision to accept the potential savings of \$75,000. Pending a final decision on whether you wish to action these proposed additional savings if proposing revised fees and levy.
30. The Governing Council were advised at the hui of 28 April 2022, that changes proposed by the Education and Workforce Select Committee Pauline' wording in the Education and Training Bill (No. 2) (ETAB2) may impact of the savings that may be generated. Savings of \$500,000 over three years as an estimate of efficiencies that could be achieved based on the draft ETAB2 were included in the modelling used to calculate the fees and levy set out in the consultation document. However, we now believe that \$400,000 in savings would be more realistic and this has been included in the latest modelling.
31. Appendix Four details the impact of a combination of changes:
 - a. additional 'in principle' decisions savings + reduction in LAT levy + adjustment of ETAB2 savings + removal of Tōmua | Provisional or Pūmau | Full (Category Two) practising certificate to Tūturu | Full (Category One) practising certificate additional fee
 - b. additional 'in principle' decisions savings + reduction in LAT levy + adjustment of ETAB2 savings + retention of Tōmua | Provisional or Pūmau | Full (Category Two) practising certificate to Tūturu | Full (Category One) practising certificate additional fee as consulted
 - c. additional 'in principle' decisions savings + reduction in LAT levy + adjustment of ETAB2 savings + reduction of Tōmua | Provisional or Pūmau | Full (Category Two) practising certificate to Tūturu | Full (Category One) practising certificate additional fee to \$23

Impact of 'in principle' decisions

32. Appendix Five sets out the impact of the 'in principle' decisions on the proposed fees and levy shown in the consultation document of 18 February 2022.

Draft document for consideration

33. Appendix Six is a draft document that can be issued as a feedback document or as a re-consultation document if the Governing Council decides to undertake a further period of consultation. It reflects the 'in principle' decisions made at the 28 April 2022 hui.
34. The Governing Council can re-consult with the profession if it considers this is necessary or desirable.
35. The Governing Council must reconsult if this is necessary to achieve fairness or if there is a substantial shift of focus after consultation or if there is significant new information or a change in the proposal, but not if the change is only a reorganisation of previous proposals.
36. If the Governing Council decides to re-consult, any changed or additional 'in principle' decisions made at the 5 May 2022 hui will need to be incorporated into this draft document. The intention to re-consult would need to be advised promptly if it is to allow the necessary actions to occur within the limited time available and to still meet the desired implementation date.
37. If the Governing Council decides not to re-consult, then this draft document will need to incorporate the final decisions made.

Sharing feedback with Secretary of Education

38. It is intended to share with the Secretary of Education feedback received during the consultation period that reflects the concerns of the profession. These include:
 - a. feedback that teachers are personally paying for classroom resources
 - b. the number of teachers engaged as relievers and on fixed-term arrangements
 - c. affordability issues arising from teacher pay rates, especially in the early childhood sector.

Appendix One: 'In principle' decisions relating to proposals included in the "Consultation Document : Proposed fees and levy" as discussed at hui of 28 April 2022

'In principle' decisions are subject to change or confirmation, as the Governing Council considers appropriate, once any additional information and modelling requested by the Governing Council to support decision-making has been provided - the Governing Council re-visits these decisions once it has full information, including any further information received through a re-consultation period.

Proposal		Further info required to assist decision-making	'In principle' decision as discussed at hui of 28 April 2022 following consideration of consultation feedback	
No.	Proposal as described in in "Consultation Document: Proposed fees and levy" (pages 34 – 36)		Summary of 'in principle' decision	Considerations and rationale for 'in principle' decision
1	Set fees and the levy for teachers and holders of LATs (as set out in Tables 1 and 8), to cover the Council's actual and reasonable operating costs		See below	See below
2	Charge the same levy for teachers and for holders of LATs	Review what portions of levy apply to LATs Remodel costings	In Principle Decision = no , pending further modelling	LAT holders should not pay levy costs associated with Pou Mataara (competence) and Pou Here Tōmua (ITE costs) as these areas do not apply to LATs. A review needed of the levy portions applying to LATs. Consideration – may reduce LAT costs, which recognises LATs are lower-paid and often working reduced hours.
3	Charge a higher fee for overseas teachers for registration and their first Tōmua Provisional practising certificate to reflect the additional costs involved in evaluating their applications		In Principle Decision = yes , increase by \$100 as per consultation document	Acknowledges that processing applications from overseas-trained teachers takes more time and effort to evaluate. Note that this does not apply to NZ-trained teachers who have been teaching overseas. Consideration - potential impact on attracting overseas-trained teachers.
4	Charge a higher fee for Tōmua Provisional or Pūmau Full (Category Two) certificated teachers applying for a Tūturu Full (Category One) practising certificate, to reflect the additional costs involved in evaluating those applications	Remodel costings	In Principle Decision = no – adjust to remove proposed \$100 surcharge	Acknowledges that implementation of Hapori Matatū, new <i>Registration Policy</i> and the Professional Growth Cycle has reduced time and effort required of Registration Officers in evaluating applications. <u>Note:</u> the removal of the additional fee of \$100 (currently \$81.77) may not reflect the actual and reasonable costs of processing these applications which is estimated to be \$23 per application.

5	Continue to fund the cost of providing conduct and discipline functions collectively from all teachers and holders of LATs		In Principle Decision = <u>yes</u>	Conduct and discipline functions apply to teachers and LATs (note LATs not subject to competency processes). A collective professional responsibility is necessary to protect status and standing of teaching profession.
6	Continue to fund the cost of establishing standards for initial teacher education qualifications and approving ITE programmes collectively from all teachers and holders of LATs with ITE providers contributing towards approval, review and monitoring of their programmes.	See row 2 above - review what portions of levy apply to LATs	In Principle Decision = <u>adjust proposal</u> to exclude LATs	LAT holders should not pay levy costs associated with Pou Here Tōmua (ITE costs) (see row 2 above) because they are not registered teachers who have an interest in the quality of this system. Options for increased cost recovery from ITE providers discussed under potential savings (see separate table).
7	Explore the viability of a 'buy now pay later' instalment option for payment of fees and the levy		In Principle Decision = <u>no</u>, do not explore options further	Feedback from the consultation survey and submissions indicated there was limited support for this option. There would be additional costs incurred in providing for this option.
8	Explore the viability of options to pay fees and the levy by instalment, in regular, small amounts	Continue to explore options	In Principle Decision = <u>yes</u>, continue to explore options	Recognising some teachers and LATs expressed interest in possible options. Note that this option cannot be implemented immediately without having an impact on savings as this delays payments and current modelling is based on up-front payments.
9	Fix fees and the levy for a three-year period, with an allowance for expected inflation over the period.		In Principle Decision = <u>yes</u>, fix fees and levy for a three-year period	Feedback from the consultation survey and submissions indicated support for this option. Need to communicate difference between historical and future inflation adjustments.
10	Increase the late fee from \$50 to \$100	Remodel costings	In Principle Decision = <u>no</u>, late fee to remain at \$50	Late fee compounds the financial impact of the overall fees/levy increase for some teachers and LATs who submit a late application

Flagged issues

Plastic card = review as part of system level review / opportunity to provide value and recognition as status changes within profession, e.g. Registered Teacher. Risks/other considerations include environmental impact of re-introducing another plastic card (more micro plastic into the environment) and the Council could publicise apps that enable users to conveniently store multiple cards as digital products.

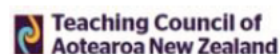
Tōmua practising certificate - Charge Tōmua for three-year practising certificate but they may be eligible to move to Tūturu after two (and in some cases one) year.

Appendix Two : Analysis of functions that relate to holders of a Limited Authority to Teach

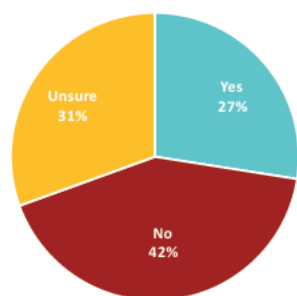
Feedback from holders of LATs, teachers and stakeholders during the fees and levy consultation questioned the proposal to charge holders of LATs the same levy as registered teachers. Submitters did not think it was fair and reasonable to charge the same amount when holders of LATs would not be required to comply with or benefit from certain functions or have a broader interest in all or some of the responsibilities covered by specific functions.

Table 1: Public Voice data on response to proposal holders of LATs pay the same levy

Who should pay?



(Q11) Do you agree with the proposal that holders of a LAT pay the same levy as registered teachers?



Main theme	Sub theme	Frequency
LAT PAY SAME LEVY - DISAGREE	LAT employment/pay differs from teachers	336
	Will discourage LAT registration	126
	General opposition	81
	LAT PAY SAME LEVY - AGREE	164
	General support	124
	Allocation of resources is the same	24
	Incentive to get qualified	14

Agreement by sector

	Early Childhood Education n = 954	Māori Medium n = 81	English Medium n = 582	Primary n = 2366	Intermediate n = 590	Secondary n = 1812	Tertiary n = 57	Other n = 139	Total n = 5320
Yes	30%	23%	31%	27%	24%	28%	32%	25%	27%
	289	19	182	633	143	513	18	35	1462
No	26%	52%	42%	42%	48%	49%	47%	45%	42%
	247	42	247	1001	283	885	27	62	2234
Unsure	44%	25%	26%	31%	28%	23%	21%	30%	31%
	418	20	153	732	164	414	12	42	1624

Limited Authorities to Teach are issued to people who are not qualified or registered as a teacher, enabling them to teach for a period in certain circumstances.

Holders of LATs are not members of the teaching profession. However, they are bound by the Code of Professional Responsibility | Ngā Tikanga Matatika in the same way that a teacher is, and accordingly may be subject to disciplinary processes related to conduct.

Because they are not registered teachers, they are not expected to meet the Standards | Ngā Paerewa.

The table below sets out each pou/function and its associated mandatory requirements, as well as making assessment about whether all or part of the function is relevant to holders of LAT, and the rationale for this assessment.

Table 2: Functions relevant to holders of LATs

Pou	Mandatory functions	Relevant to holders of LAT	Rationale
Pou Aro Whakamua – steering the future direction of teaching	<p>Provide direction for teachers</p> <p>Enhance the status of teachers</p> <p>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</p>	<p>No</p> <p>No</p> <p>Partially</p>	<p>Holders of LATs are not registered teachers.</p> <p>Holders of LATs are not registered teachers</p> <p>While holders of LATs are not registered teachers, they may have an interest in teaching practice to inform their own engagement and interaction with learners in different settings.</p> <p>This may be outweighed by the complexity of determining the extent of their interest and a percentage in terms of cost allocation.</p>
Pou Whai Rēhitanga – becoming registered and certificated as a teacher	<p>Carry out functions relating to registration (including establishing, maintaining, and reviewing criteria for</p>	<p>Yes</p>	<p>This function also includes the costs of applying for and being issued with a Limited Authority to Teach, including police vetting</p>

	registration and police vetting)		
Pou Tikanga Matatika, Ngā Paerewa – establishing and maintaining the Code and Standards	<p>Establish and maintain standards for ongoing practice</p> <p>Establish and maintain a code of conduct for teachers under section 485 of the Education and Training Act 2020</p>	<p>No</p> <p>Yes</p>	LATs are not required to use the Standards Ngā Paerewa in their teaching practice but are required to meet the expectations of the Code Ngā Tikanga Matatika.
Pou Here Tōmua – establishing and maintaining standards for initial teacher education and undertaking Initial Teacher Education programme approvals	<p>Establish and maintain standards for qualifications that lead to teacher registration</p> <p>Conduct, in conjunction with quality assurance agencies, approvals of teacher education programmes</p>	<p>No</p> <p>No</p>	LATs are not registered teachers.
Pou Matatika – ensuring high standards of ethical behaviour	Carry out the functions relating to conduct	Yes	Holders of LATs must meet the expectations of the Code Ngā Tikanga Matatika.
Pou Mataara – ensuring high-quality teacher practice	Carry out the functions relating to competence	No	Holders of LATs are not required to meet the Standards Ngā Paerewa in their teaching because they are not registered teachers.

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Appendix Three: 'In principle' decisions relating to potential additional savings as discussed at hui of 28 April 2022

'In principle' decisions are subject to change or confirmation, as the Governing Council considers appropriate, once any additional information and modelling requested by the Governing Council to support decision-making has been provided - the Governing Council re-visits these decisions once it has full information, including any further information received through a re-consultation period.

Total net expenditure assigned to Pou (ex GST)	Area of potential saving	Total Pou potential savings	Pou savings per teacher * (inc GST)	Associated risks	'In principle' decision as discussed at hui of 28 April 2022 following consideration of consultation feedback		'In Principle' decision figures	
					Summary of 'in principle' # decision	Considerations & rationale for 'in principle' # decision	Total Pou savings	Savings per teacher (inc GST)
17,077,526	Vacancies savings Based on 12 vacancies per year @ 40 days to fill	386,852	3.68	Vacancy savings may not eventuate, requiring the use of reserves to meet the shortfall	In Principle Decision = <u>accept</u> potential savings use vacancy savings to lower fees and levy for forecast 3-year period	<ul style="list-style-type: none"> Acknowledged that number of vacancies and time to fill may vary. Noted that temps and contractors used when appropriate. Noted that some roles require intensive training (eg Registration Officer) so difficult to fill temporarily Mitigate risk through use of reserves if necessary. 	386,852	3.68
	Board travel savings [REDACTED] [REDACTED] [REDACTED] Hold Committee hui and Advisory Group hui online	73,542	0.70	Incoming Board and advisory groups may not agree to host some hui online	In Principle Decision = <u>accept</u> potential savings by Advisory Groups and Committees meeting online	<ul style="list-style-type: none"> Noted the last 2 years has increased practice of online hui. Value of kanohi ki te kanohi hui for building relationships recognised. 	73,542	0.70
	Project savings Achieved by reducing project budget from	600,000	5.70	May limit meeting strategic goals or ad-hoc	In Principle Decision = <u>reduce</u> potential savings by half to	<ul style="list-style-type: none"> Considered important to have ability to contribute and respond 	300,000	2.85

	\$400,000 to \$200,000 per year + \$200,000 x 3 = \$600,000			urgent operational matters	\$100,00 per year x 3 years = \$300,000	to projects that emerge over 3-year period that are of key importance to profession. <ul style="list-style-type: none"> Noted the potential to delay projects of a lesser priority. 		
	PR travel savings Achieved by CAC and DT holding hui online more frequently	100,000	0.95	Based on current case load and number of online hearings – if an increase then costs increase	In Principle Decision = <u>accept</u> potential savings of \$100,000	<ul style="list-style-type: none"> Noted potential impact of legislative changes stream-lining process. Noted potential impact of teachers requesting more in-person hearings. Noted potential impact on applying a more culturally responsive process that may involve more kanohi ki te kanohi hearings. Mitigate risk through use of reserves if necessary. 	100,000	0.95
	Cease priority Police vetting service Currently \$93,000 per year which provides priority Police vetting, allowing 95% of applications to be processed within 5 days of the police receiving the vet request and 80% of applications processed within 10 days of endorsement.	279,000	2.66	Shifting from 5 day to 20 day Police turn-around likely to increase process times to > than 25 working days.	In Principle Decision = <u>declined</u> potential saving	<ul style="list-style-type: none"> Significant improvements in processing times achieved over last two years should not be compromised. Noted that an efficient processing time is a significant measure of success that impacts on all principals, teachers and LATS. 	0	0
	Processing efficiency in registration ██████████ ██████████ ██████████	240,000	2.28	An increase in requests for Extensions to Teach and teachers teaching without a current practising certificate. If	In Principle Decision = <u>reduce</u> potential savings by half to \$120,000 ██████████ ██████████	<ul style="list-style-type: none"> Significant improvements in processing times achieved over last two 	120,000	1.14

				efficiencies are not achieved, reserves will be required to maintain acceptable service delivery standards (a reduction in staffing in this area without processing efficiencies quickly results in unacceptable processing times).		<p>years should not be compromised.</p> <ul style="list-style-type: none"> Noted that an efficient processing time is a significant measure of success that impacts on all principals, teachers and LATS. Noted potential of further embedding of <i>Registration Policy</i>, <i>Hapori Mātatu</i> and <i>Professional Growth Cycle</i> to further streamline processing times. Noted any reduction in position/s would be achieved through attrition. 		
	Additional recoveries from ITE providers Achieved by recovering full costs of services incl staff time, charging for other services like exemptions if cost recovery not onerous.	400,000	3.80	Reflects reassessment of current recoveries plus adding new areas for recovery. May result in some providers not seeking our services when they should and therefore risking some aspects of quality delivery.	In Principle Decision = <u>accept</u> potential savings of \$400,000	<ul style="list-style-type: none"> Noted the potential to pass on to providers the full cost of approval, review and monitoring as well as some specific services e.g. exemption requests, graduate talks 	400,000	3.80
	Processing efficiency in ITE Achieved by approval panels	200,000	1.90	Lowers our opportunity to influence ITE in a way that lifts quality and relevance.	In Principle Decision – <u>reduce</u> potential savings by half to \$100,000	<ul style="list-style-type: none"> Noted that we have provided support and advice to ITE providers about TC standards, code and requirements that were one off and can be reduced for a time. Noted that we can reduce (but not stop) 	100,000	0.95

						our work with providers and practitioners to strengthen things like authentic partnerships and our contribution to system policy.		
	ITE travel savings For team travel to providers (not done during COVID) + ITEAG currently meeting online	75,000	0.71	Replacing travel with online engagement may not be so effective over time.	In Principle Decision = <u>accept</u> potential savings of \$75,000	<ul style="list-style-type: none"> Noted the last 2 years has increased practice of online hui. Value of kanohi te kanohi hui for building relationships recognised. Noted the current strength of relationships between Council's ITE Team and ITE providers. 	75,000	0.71
	Total	2,354,394	22.38				1,555,394	14.78

* per teacher costs calculated by applying number of applications received over three years – 121,000

Note

Any delay in applying new fees and levy beyond 1 July 2022 will cost approx. \$800,000 per month which will need to be funded by reserves.

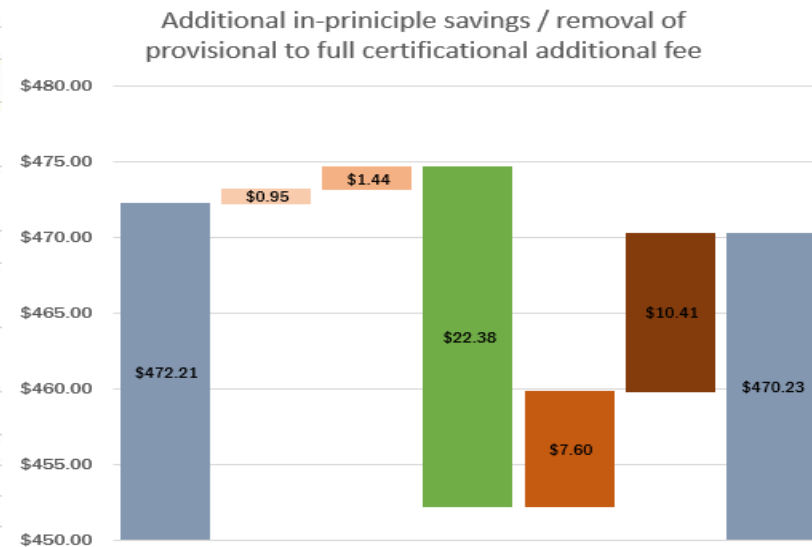
Note

Any rationale needs to be tied back to Treasury principles for cost recovery and OAG (Office of the Auditor-General) principles for setting and administering fees and levies. These principles include authority; effectiveness; efficiency; transparency; consultation; equity; simplicity; accountability; and justifiability.

Appendix Four : Impact of combination of savings, adjustments to LAT levy and options for additional fee relating to change from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūtura | Full (Category One) practising certificate

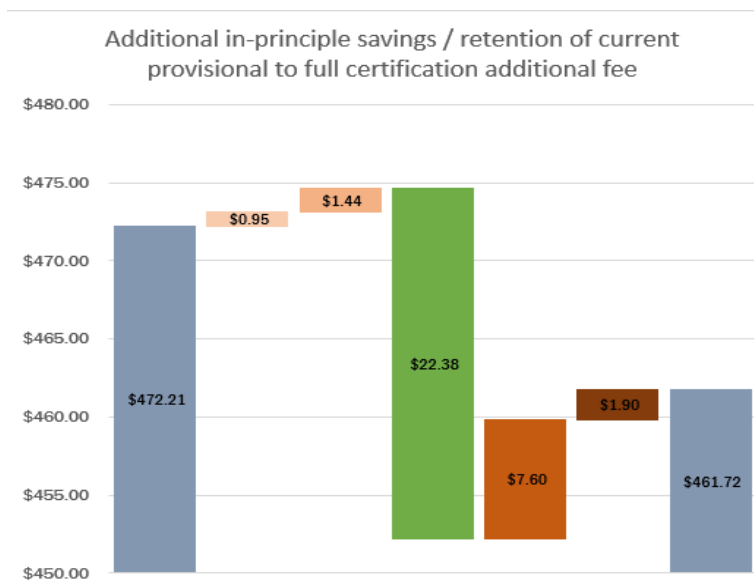
Graph One : Additional 'in principle' decisions savings + reduction in LAT levy + adjustment to ETAB2 savings + removal of Tōmua | provisional and Pūmau | Full (category Two) to Tūtura | Full (Category One) practising certificate additional fee

	Base	Decrease	Increase	
Start		\$ -	\$472.21	\$472.21
Reduction in included savings due to proposed changes in ETAB No. 2	\$ 472.21	\$ -	\$ 0.95	\$473.16
Reduction in LAT levy amount to reflect functions not included	\$ 473.16	\$ -	\$ 1.44	\$474.60
Total additional cost savings identified	\$ 452.22	\$ 22.38		\$452.22
Reduction in additional cost savings agreed in-principle	\$ 452.22	\$ -	\$ 7.60	\$459.82
Remove additional fee for provisional to full applications	\$ 459.82	\$ -	\$ 10.41	
End	\$470.23	\$ -	\$ -	



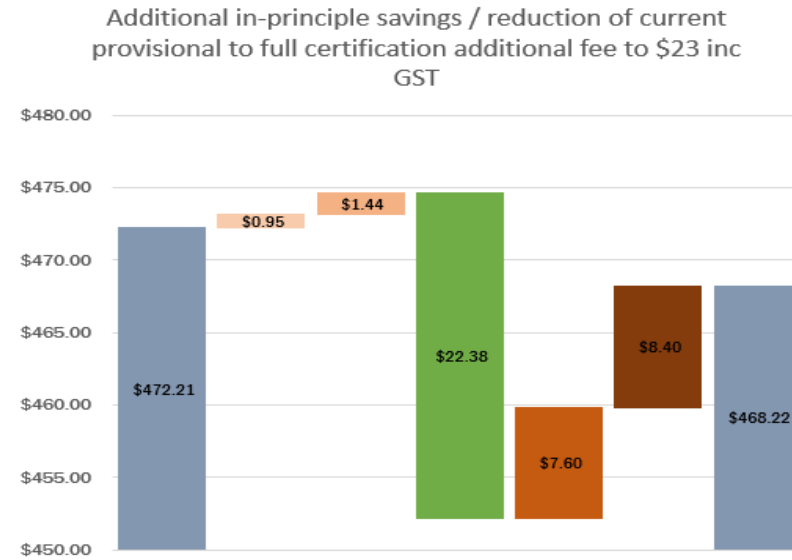
Graph Two : Additional 'in principle' decisions savings + reduction in LAT levy + adjustment to ETAB2 savings + retention of Tōmua | provisional and Pūmau | Full (category Two) to Tūtura | Full (Category One) practising certificate additional fee

	Base	Decrease	Increase	
Start		\$ -	\$472.21	\$472.21
Reduction in included savings due to proposed changes in ETAB No. 2	\$ 472.21	\$ -	\$ 0.95	\$473.16
Reduction in LAT levy amount to reflect functions not included	\$ 473.16	\$ -	\$ 1.44	\$474.60
Total additional cost savings identified	\$ 452.22	\$ 22.38		\$452.22
Reduction in additional cost savings agreed in-principle	\$ 452.22	\$ -	\$ 7.60	\$459.82
Retain current additional fee for provisional to full applications	\$ 459.82	\$ -	\$ 1.90	
End	\$461.72	0	0	



Graph Three : Additional 'in principle' decisions savings + reduction in LAT levy + adjustment to ETAB2 savings + reduction of Tōmua | provisional and Pūmau | Full (category Two) to Tūtura | Full (Category One) practising certificate additional fee

	Base	Decrease	Increase	
Start		\$ -	\$472.21	\$472.21
Reduction in included savings due to proposed changes in ETAB No. 2	\$ 472.21	\$ -	\$ 0.95	\$473.16
Reduction in LAT levy amount to reflect functions not included	\$ 473.16	\$ -	\$ 1.44	\$474.60
Total additional cost savings identified	\$ 452.22	\$ 22.38		\$452.22
Reduction in additional cost savings agreed in-principle	\$ 452.22	\$ -	\$ 7.60	\$459.82
Reduce current additional fee for provisional to full applications to \$23 inc GST	\$ 459.82	\$ -	\$ 8.40	
End	\$468.22	0	0	



Appendix Five : New proposed fees and levy incorporating further changes following consideration of consultation feedback

The impact of proposed 'In Principle Decisions' discussed at the Governing Council hui of 28 April 2022

'In principle' decisions are subject to change or confirmation, as the Governing Council considers appropriate, once any additional information and modelling requested by the Governing Council to support decision-making has been provided - the Governing Council re-visits these decisions once it has full information, including any further information received through a re-consultation period.

Registered teachers

For	Existing Fee	As proposed in consultation document			Changes proposed following consideration of consultation feedback	Impact of changes proposed following consideration of consultation feedback #			If we continued to charge \$81.77 for shift from Tōmua or Pūmau to Tūturu practising certificate ^
		Fee payable	Levy payable	Total payable		New proposed fees payable	New proposed levy payable	New proposed total payable	New proposed total payable
Renewal of a practising certificate valid for 3 years	\$220.80	\$128.96	\$343.25	\$472.21	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	\$333.96	\$470.16	\$461.64
Registration and Provisional practising certificate for graduates from an approved New Zealand Initial Teacher Education programme	\$220.80	\$128.96	\$343.25	\$472.21	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	\$333.96	\$470.16	\$461.64
Registration and Provisional practising certificate for overseas-trained teachers	\$302.57	\$228.96	\$343.25	\$572.21	Adjustment to reflect the actual and reasonable costs associated with evaluating and processing an application from an overseas-trained teacher	\$236.20	\$333.96	\$570.16	\$561.64
A teacher holding a Tōmua Provisional or Pūmau Full (Category Two) practising certificate applying for a Tūturu Full (Category One)	\$302.57	\$228.96	\$343.25	\$572.21	Adjustment to reflect the removal of surcharge plus the impact of other savings and the reduction of the levy charged to LAT holders	\$136.20	\$333.96	\$470.16	\$543.41

practising certificate valid for 3 years									
Registration (only) for graduates from an approved New Zealand ITE programme	\$220.80	\$128.96	-	\$128.96	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	-	\$136.20	\$127.68
Returning to Teaching in Aotearoa New Zealand Practising Certificate valid for 3 years	\$220.80	\$128.96	\$343.25	\$472.21	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	\$333.96	\$470.16	\$461.64
Late Application Fee	\$50.00	\$100.00	-	\$100.00	Adjustment to retain current late fee of \$50.00	\$50.00	-	\$50.00	\$50.00

- proposed fees and levy if the following adjustments are incorporated : applying proposed additional savings as applicable + the levy costs not applicable to LATs + removal of the additional fee charged for Tōmua | Provisional to Tūturu | Full (Category One) practising certificate

^ - proposed fees and levy if the following adjustments are incorporated : applying proposed additional savings as applicable + the levy costs not applicable to LATs + retaining \$81.77 additional fee for a teacher holding a Tōmua | Provisional or a Pūmau | Full (Category Two) practising certificate applying for a Tūturu | Full (Category Two) practising certificate

Note: the consultation document of 18 February 2022 outlined savings of approximately \$1.5 million which were included in our modelling. After hearing feedback from the teaching profession and stakeholders, the Governing Council agreed to a slightly more aggressive approach to obtaining further savings of approximately \$1.5 million per annum which could be used to fund the proposals. This includes staff costs, travel for hui and other activities, and increased recoveries in some areas.

Holders of Limited Authority to Teach (LAT)

For	Existing fee	Proposed in consultation documents			Changes proposed following consideration of consultation feedback	Impact of changes proposed following consideration of consultation feedback #			If we continued to charge \$81.77 for shift from Tōmua or Pūmau to Tūturu practising certificate ^
		Fee payable	Levy payable	Total payable		New proposed fees payable	New proposed levy payable	New proposed total payable	New proposed total payable
A LAT valid for 3 years	\$168.66	\$128.96	\$343.25	\$472.21	Levy adjusted to reflect that LAT holders are not qualified or registered teachers. They are	\$136.20	\$224.59	\$360.79	\$352.27
A LAT valid for 2 years	\$112.44	\$85.97	\$228.83	\$314.80		\$90.80	\$149.72	\$240.52	\$234.84
A LAT valid for 1 year	\$56.22	\$42.99	\$114.42	\$157.41		\$45.40	\$74.86	\$120.26	\$117.42

					bound by the Code <i>Ngā Tikanga Matatika</i> so a proportional levy applies to contribute to conduct (but not competence) processes and the maintenance of the Code <i>Ngā Tikanga Matatika</i>				
Late Application Fee		\$100.00	-	\$100.00	Adjustment to retain current late fee of \$50.00	\$50.00	-	\$50.00	\$50.00

- proposed fees and levy if the following adjustments are incorporated : applying proposed additional savings as applicable + the levy costs not applicable to LATs + removal of the additional fee charged for Tōmua | Provisional to Tūturu | Full (Category One) practising certificate

^ - proposed fees and levy if the following adjustments are incorporated : applying proposed additional savings as applicable + the levy costs not applicable to LATs + retaining \$81.77 additional fee for a teacher holding a Tōmua | Provisional or a Pūmau | Full (Category Two) practising certificate applying for a Tūturu | Full (Category Two) practising certificate

Note: the consultation document of 18 February 2022 outlined savings of approximately \$1.5 million which were included in our modelling. After hearing feedback from the teaching profession and stakeholders, the Governing Council agreed to a slightly more aggressive approach to obtaining further savings of approximately \$\$1.5 million per annum which could be used to fund the proposals. This includes staff costs, travel for hui and other activities, and increased recoveries in some areas.

Communication / Re-consultation document

Proposed fees and levy

05 May 2022

Navigating this document			
1	Introduction	Brief overview of why we are re-consulting	p. 1
2	Areas of Proposed Change	Sets out the two areas for consultation, with further detail on specific proposals and draft questions	p. 1
3	Costing information for proposals	Tables setting out the impact of proposals on different application types (further information in Appendix One)	p. 4
4	Areas of clarification	Further information regarding the inflation calculations used in the consultation document, future adjustments and draft questions	p. 7
5	Significant new information	Impact of legislative change on Disciplinary Tribunal costings	p. 8
6	Additional items pending decisions	Retention of late fee and payment by instalment options	p. 8
	Appendix One	Graph showing impact of proposals on fees/levy	p. 10

1. Introduction

After considering feedback provided in the [Consultation on Proposed Fees and Levy 18 February 2022](#) the Teaching Council's Governing Council (Board) is proposing some changes to the fees and levy proposed in the consultation.

We want to know what you think of these changes. Therefore we are undertaking a short re-consultation seeking your feedback on them so they can be considered before the Governing Council makes its final decisions.

We received feedback that the Red Traffic light settings may have impacted on your ability to provide feedback in the consultation, and that you should be given an opportunity to resubmit in light of new information we have obtained during the course of the consultation. We are therefore also taking this opportunity to clarify some of the information contained in the consultation and invite you to provide further feedback, if you wish, in light of this new information.

Add in survey information, open and close date for submissions, how they can submit etc

2. Areas of proposed change

Having considered your feedback, we are proposing some changes to options outlined in the [Consultation on Proposed Fees and Levy 18 February 2022](#).

These changes could be implemented without increasing the original proposed fees and levy, as we have undertaken further analysis of the costs associated with our work programme and identified areas where further savings could be made.

A summary of changes we are proposing are outlined in Tables 1 and 2. They include the impact of further savings identified, changes to estimated costs associated with new legislation affecting the Disciplinary Tribunal, and the proposal to remove/reduce the additional fee for moving from Tomua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) on overall fees for each application type. A diagram in Appendix One summarises how each proposal impacts on the overall quantum for each application type.

Change in fee for moving from Tōmua or Pūmau to Tūturu

The [Consultation on Proposed Fees and Levy 18 February 2022](#) proposed increasing the additional fee Tōmua | Provisional or Pūmau | Full (Category Two) teachers currently pay (reflecting the additional costs involved in processing these applications to move to Tūturu | Full (Category One)).

The increase proposed was to increase the additional fee payable from \$81.77 including GST to \$100.00 including GST.

Your feedback included concerns about the impact of any additional fee, particularly on Tōmua | Provisional teachers, given that they are also likely to have significant student loans, and as early career teachers, are likely to have lower incomes. Submitters particularly noted this concern for ECE teachers who have the additional difficulty of being paid less than other teachers.

Having considered this feedback, the Council proposes the following:

Proposal: That the proposed increase to \$100.00 including GST for the additional fee charged for applications to move from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) is not progressed and the current additional fee of \$81.77 including GST is retained.

One of the two options below depending on GC decisions

Proposal: That the current additional fee of \$81.77 including GST charged for applications to move from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) is reduced to \$23.00 (including GST).

Proposal: That the current additional fee of \$81.77 including GST charged for applications to move from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) is removed.

Rationale: Further analysis carried out in response to feedback has determined that impacts such as the implementation of Hapori Matatū and the new Registration Policy have reduced time and effort required of Registration Officers in assessing most of these applications. Our analysis also identified that additional forecast savings could be made, on the assumption that these can be achieved with principals and professional leaders moving to the Professional Growth Cycle and further embedding of this model across centres, schools and kura.

Q: Do you agree with the proposal not to increase Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) applications from \$81.77 including GST to \$100.00 including GST?

Yes/No/Unsure/Comment

Q: Would you still support this proposal if it was necessary to fund any shortfall in income from additional savings in the costs associated with the Council's work programme?

Yes/No/Unsure/Comments

One of the two questions below, depending on GC decision on the proposals above

Q: Do you agree with the proposal to reduce the current additional fee of \$81.77 including GST charged for moving from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) to \$23.00 (including GST)?

Yes/No/Unsure/Comment

Q: Would you still support this proposal if it was necessary to fund any shortfall in income from additional savings in the costs associated with the Council's work programme?

Yes/No/Unsure/Comments

Q: Do you agree with the proposal to remove the current additional fee of \$81.77 including GST charged for moving from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One)?

Yes/No/Unsure/Comment

Q: Would you still support this proposal if it was necessary to fund any shortfall in income from additional savings in the costs associated with the Council's work programme?

Yes/No/Unsure/Comments

Reduction in levy paid by LATs

Your feedback included submissions that holders of LATs should not pay the same levy as registered teachers. A reduced levy would continue to recognise that because they are not registered teachers, they do not receive the same benefits of being part of a profession.

Based on this feedback, we have remodelled the levy calculations for holders of a LAT, checking costs associated with Pou Mataara (competence), Pou Here Tōmua (ITE costs) and Pou Aro Whakamua (steering the future direction of teaching) as these areas do not directly apply to LATs.

This re-modelling has resulted in a reduction in the proposed levy cost for holders of LAT from \$343.25 to \$224.59 for a three-year LAT, \$228.83 to \$149.72 for a two-year LAT, and from \$114.42 to \$74.86 for a one-year LAT.

Proposal: That the levy payable by holders of a LAT be reduced as noted in Table 2, continuing to reflect the costs of functions directly relevant to these role types.

Rationale: Holders of LATs are not registered teachers, and feedback has highlighted that it may be desirable for the levy payable to only reflect the cost of requirements relating to functions or part-functions applicable to LATs.

Q: Do you agree with the proposal to reduce the levy payable by holders of LATs to the amounts set out in Table 2?

Yes/No/Unsure/Comment

Q: Would you still support this proposal if it was necessary to fund any shortfall in income from additional savings in the costs associated with the Council's work programme?

Q: Do you have any feedback on the proposed changes to fees and the levy for registered teachers outlined in Table 1?

Yes/No/Comment

Q: Do you have any feedback on the proposed changes to fees and the levy for holders of LATs outlined in Table 2?

Yes/No/Comment

DRAFT

3. Costing information for proposals

Table 1 outlines the proposed level of fees and levy for registered teachers for each application type (registration, practising certificates) if:

- additional savings are applied
- the levy costs not applicable to LATS are included
- the additional fee charged for Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) applications is removed and all fees are adjusted

Table 1: Impact of proposed changes on fees/levy – registered teachers

For	As proposed in consultation document				Changes proposed following consideration of consultation feedback	Impact of changes proposed following consideration of consultation feedback			If we continued to charge \$81.77 for Tōmua/Pūmau to Tūturu
	Existing Fee	Fee payable	Levy payable	Total payable		New proposed fees payable	New proposed levy payable	New proposed total payable	
Renewal of a practising certificate valid for 3 years	\$220.80	\$128.96	\$343.25	\$472.21	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	\$333.96	\$470.16	\$461.64
Registration and Provisional practising certificate for graduates from an approved New Zealand Initial Teacher Education programme	\$220.80	\$128.96	\$343.25	\$472.21	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	\$333.96	\$470.16	\$461.64
Registration and Provisional practising certificate for overseas-trained teachers	\$302.57	\$228.96	\$343.25	\$572.21	Adjustment to reflect the actual and reasonable costs associated with evaluating and processing an application from an overseas-trained teacher	\$236.20	\$333.96	\$570.16	\$561.64

A teacher holding a Provisional or Full (Category Two) practising certificate applying for a Full (Category One) practising certificate valid for 3 years	\$302.57	\$228.96	\$343.25	\$572.21	Adjustment to reflect the removal of surcharge plus the impact of other savings and the reduction of the levy charged to LAT holders	\$136.20	\$333.96	\$470.16	\$543.41
Registration (only) for graduates from an approved New Zealand ITE programme	\$220.80	\$128.96	-	\$128.96	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20		\$136.20	\$127.68
Returning to Teaching in Aotearoa New Zealand Practising Certificate valid for 3 years	\$220.80	\$128.96	\$343.25	\$472.21	Adjustment to reflect impact of additional savings and proposed changes *	\$136.20	\$333.96	\$470.16	\$461.64
Late Application Fee	\$50.00	\$100.00	-	\$100.00	Adjustment to retain current late fee of \$50.00	\$50.00	-	\$50.00	\$50.00

Note: The first consultation document outlined savings of approximately \$1.5 million which were included in our modelling. After hearing feedback from the teaching profession and stakeholders, we have undertaken a more aggressive approach to obtaining further savings of approximately \$1.5 million over the three-year period which could be used to fund the proposals outlined in this document. This includes staff costs, travel for meetings and other activities and increased recoveries in some areas.

Table 2 outlines the proposed level of fees and levy for holders of LATs if:

- additional savings are applied
- the levy costs not applicable to LATS are removed
- the additional fee charged for Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One) applications is removed and all fees are adjusted

Table 2: Impact of proposed changes on fees/levy – holders of LATs

For		Proposed in consultation documents			Changes proposed following consideration of consultation feedback	Impact of changes proposed following consideration of consultation feedback			
		Fee payable	Levy payable	Total payable		New proposed fees payable	New proposed levy payable	New proposed total payable	
A LAT valid for 3 years	\$168.66	\$128.96	\$343.25	\$472.21	Levy adjusted to reflect that LAT holders are not qualified or registered teachers. They are bound by the Code Ngā Tikanga Matatika so a proportional levy applies to contribute to conduct (but not competence) processes and the maintenance of the Code Ngā Tikanga Matatika	\$136.20	\$224.59	\$360.79	\$352.27
A LAT valid for 2 years	\$112.44	\$85.97	\$228.83	\$314.80		\$90.80	\$149.72	\$240.52	\$234.84
A LAT valid for 1 year	\$56.22	\$42.99	\$114.42	\$157.41		\$45.40	\$74.86	\$120.26	\$117.42
Late Application Fee		\$100.00	-	\$100.00	Adjustment to retain current late fee of \$50.00	\$50.00	-	\$50.00	

4. Areas of clarification

Future adjustments

Proposal 9 in the [Consultation on Proposed Fees and Levy 18 February 2022](#) was to fix fees and the levy for a three-year period, with a conservative allowance for expected inflation over the period.

It appears this may have been understood by some submitters as meaning an adjustment for inflation to the proposed fees and levy would occur during the three-year period it is proposed fees and the levy would be set. This is not correct. Once final decisions are made, and fees and levy set would apply to the the entire proposed three year levy period. Changes could not occur until further consultation is completed for a future fees and levy period.

The inflation adjustment that has been applied to the Council's cost base for the proposed three-year period is 1.7 percent per annum. This is predominantly related to expected inflation impacts on salaries. We have been conservative in terms of the impact on the remaining cost base and added almost no inflation.

Q: Considering this information, do you have any further feedback on the proposed fees and levy?

Yes/No/Unsure/Comment

Historical CPI adjustment

In the [Consultation on Proposed Fees and Levy 18 February 2022](#) as part of the context for the proposals, we provided an estimate of the impact of inflation on the 2010 fee of \$220.80. We used the Reserve Bank's online inflation calculator to estimate what the 2010 fee would have been if it was increased solely to reflect the impact of inflation in isolation from other factors. Our estimate was \$292.78.

The purpose of this estimate was to better illustrate one of the four major drivers of cost increases.

During the consultation process, we received feedback that we should have used a different methodology to assess the impact of inflation and the cumulative inflation figure derived from this.

In light of this feedback, we commissioned reports from two independent experts that separately estimated the impact of inflation on Teaching Council 2010 fees. We also considered a third estimate undertaken by an independent expert who had been engaged by the Post Primary Teachers Association (PPTA Te Wehengarua).

The three independent expert estimates of the impact of inflation were 19.2%, 20.7% and 24.75%. This contrasts with the figure of XX.X% used to estimate the figure of \$292.78 included in the consultation document.

Using these alternative estimates would mean that if the 2010 fee had increased solely to reflect the increased costs to deliver goods and services it would be \$263.19, \$266.51, or \$275.48 depending on which estimate of inflation was used.

However the historical inflation rate was not, and is not, applied to our model for estimating our actual and reasonable future costs to set the proposed fees and levy. It was simply used to give an indication of what an inflation-adjusted fee would have looked like, to help with understanding the extent of the shortfall in income the Council faces today.

The proposed fees and levy are based on the Council's actual costs for the 2020/21 financial year.

As noted above, the financial model that the Council used to estimate its future costs incorporates several anticipated cost savings and includes an estimate of future inflation at an average of 1.7 percent per annum over the three-year cost recovery period for the fees and levy.

While we recognise that the actual rate of future inflation may well be higher than this, it is hard to accurately predict. For this reason, we have adopted a very conservative estimate to ensure we minimise the risk of over-recovery of fees and levies from teachers.

At the end of the three-year cost recovery period a comprehensive review of recoveries will be undertaken, with any over or under recovery factored into future proposed changes to fees and the levy for the period FY2025/26 to FY2027/28. Any such proposed future increases would be the subject of further formal consultation.

Q: Considering this information, do you have any further feedback on the proposed fees and levy?

Yes/No/Unsure/Comment

5. Significant new information

Legislative changes relating to our disciplinary processes

Our [Consultation on Proposed Fees and Levy 18 February 2022](#) noted the potential for future savings to be generated through legislative changes to the threshold for cases being referred from the Complaints Assessment Committee to the Disciplinary Tribunal. These potential savings were based on assumptions about what the legislative changes may include.

The Education and Workforce Select Committee published its report on the Education and Training Bill (No2) on 22 April 2022. They have recommended some changes to our disciplinary processes which may impact on the degree of change we were seeking and therefore impact on the assumptions applied in our modelling.

We had included savings of \$500,000 over three years as an estimate of efficiencies that could be achieved based on the draft ETAB2. However, we now believe that \$400,000 in savings would be more realistic for this three-year period. Over the next three-year period, we would expect to be able to make those savings for this work area.

6. Additional items pending decisions

The following items would be included in a feedback/decision document, but not in a re-consultation document:

Late fee remains unchanged at \$50

Feedback from submitters noted that an increase to the late fee compounds the financial impact of the overall fees/levy increase for some teachers and LATs who submit a late application.

Proposal: That the late fee remains unchanged at \$50.00

Rationale: The late fee is intended to serve as a deterrent for late submission of applications, however feedback has highlighted that the increase proposed to the current fee may have an unfair financial impact on some teachers and holders of LATs.

Buy Now Pay Later proposal

Your feedback indicated there is little support a 'Buy Now Pay Later' payment instalment option, particularly if this resulted in additional costs for the option.

Proposal: Not to explore the viability of a 'Buy Now Pay Later' instalment option for payment of fees and the levy.

Rationale: These models usually require management by an external agency, with associated costs. Feedback indicated this was not supported by submitters.

Payment of fees and levy by regular instalment

Your feedback indicated some support for the option of paying fees and the levy by regular instalment, although interest in this option was significantly reduced if there were additional costs to individuals choosing this option.

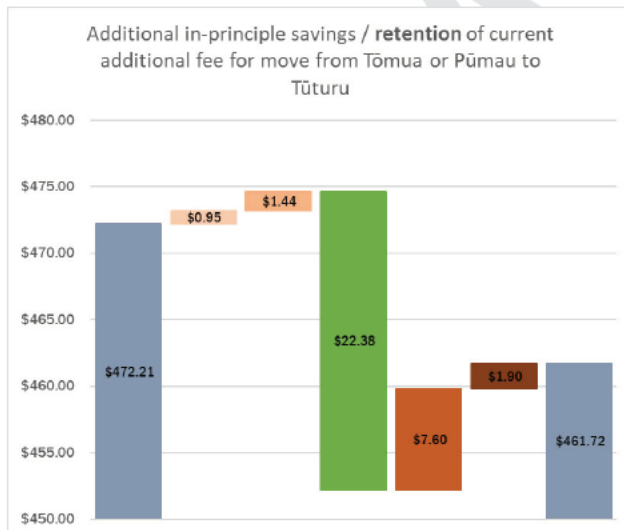
Proposal: Continue to explore the viability of options to pay fees and the levy by instalment, in regular, small amounts.

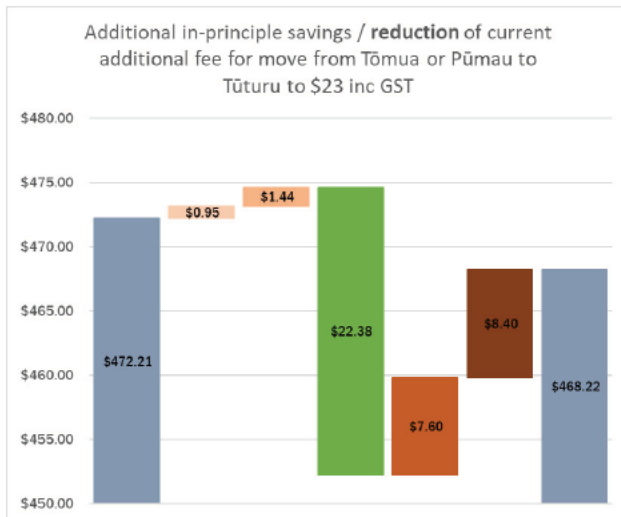
Rationale: While support varied for this option, it is worthwhile to continue exploring its viability to provide additional options to address affordability issues for some teachers.

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Appendix One: Impact of proposals on fees/levy

The graphs below show the impact of removal, retention or reduction of the additional fee for a move from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One).





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