Enhancing Financial Accountability within the PPTA Te Wehengarua

A paper from the Western Bay of Plenty Region



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Overview

Mā ngā taunakitanga, kaua mā ngā whakapae.

Let evidence guide us, not assumptions.

Recommendations

1. That the report be received.

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1 Context

1.1 Current Membership Types and Rates

1.1.1. The subscription rate for full membership is 1% of the fortnightly actual annual rate within the base scale (GST incl). "Base salary" includes the sum of all full-time or part-time earnings but excludes units and allowances.

1.1.2. The subscription rate for honorary membership is $50 per annum (GST incl).

1.1.3. Membership for Adult and Community Education (ACE) teachers and employees in out-of-hours music programmes is $50 per annum (GST incl).

1.1.4. Teacher education students are entitled to free membership of the PPTA.

1.2 Powers to Set Subscriptions

1.2.1 As laid out in Section 8(i) of the Constitution,
"Each member shall pay to the Secretary an annual subscription of an amount determined each year by the Annual Conference for each class of membership."

1.3 Unions Against Income Inequality

1.3.1 It is noted that the Association was actively working through Pay Equity negotiations until the government enacted a law change that made this process more challenging. A PPTA Te Wehengarua Media Release (2025) advised that "PPTA Te Wehengarua is deeply disappointed by the Government's decision, announced today, to push through changes to the pay equity process that undermine the integrity of teachers' long-standing and evidence-based pay equity claim." The Association has a long and proud history of advocating for pay equity in many other formats.

1.4 Positions attracting units and allowances.

1.4.1 Women and Māori educators remain under-represented in senior leadership and in roles that attract additional Management Units (MU) or allowances, in schools across the motu. Data from a 2020 NZCER report shows that despite women constituting 66% of the secondary teaching workforce, they held only 58% of assistant/deputy principal positions, demonstrating a clear gender disparity at the most senior levels. Similarly, Māori educators face institutional biases that restrict their visibility in appointments and limit their career progression into high-status, highly remunerated roles (NZCER, 2020; Ministry of Education, 2021).

1.4.2 The PPTA's current subscription model compounds this structural inequity by excluding the additional income many senior leaders receive through MUs and allowances. Because women and Māori are less likely to be appointed to these higher-paid roles, the base-salary-only model results in them contributing a higher proportion of their total take-home salary relative to those in leadership. This practice unintentionally deepens the financial gap between staff who hold subsidised leadership positions and those who do not, in a system already marked by unequal access to those roles (PPTA, n.d.-a; PPTA, n.d.-b). Consequently, the subscription structure reinforces the existing distribution of income and status within secondary schools rather than offsetting the wider pay inequities.

1.5 Historically, the Association has employed a flat rate subscription model, but this was changed to a percentage model to avoid requiring the Executive to ask National Conference to increase the flat rate with inflation each year.

2 Inequity and the Proposed Proportional Fee Model

2.1 PPTA subscriptions are currently calculated at 1% of base salary for most members. While this model is simple, it does not reflect the wide variation in *total salary* among this group of members, particularly due to management units (MU) or additional allowances.

2.2 The existing model of subscription places a disproportionate burden on low income earners and exacerbates income inequality as higher-paid members contribute proportionally less relative to total salary. As an example, a teacher in a role attracting 4MU + 2MMA is expected to contribute approximately 0.8% of their total salary in 2027 under the existing 1% of base salary model. As noted in Section 1.4, where these positions are not available to women or Māori, this exacerbates the pay gap.

2.3 A teacher on Step 10, who is a member of the Association, currently pays $38.97 per fortnight. Other comparable unions charge lower fees. For example:

2.3.1 NZEI members pay $30.77 per fortnight.

2.3.2 NZ Police Association members working 32+ hours pay $26.92 per fortnight.

2.3.3 E Tū members working 35+ hours a week pay $20.30 per fortnight.

2.3.4 The Tertiary Education Union charges 0.8% of salary (maximum of $39.58 per fortnight). Members earning below $15,000 have their fees waived.

2.3.5 Nurses affiliated with NZNO pay $25.17 per fortnight. NPANZ charge $18.99 per fortnight.

2.3.6 Teachers belonging to the Independent Schools Education Association earning equivalent to a Step 10 teacher pay $26.25.

2.4 Comparison to international secondary teaching unions (correct at March 2026).

2.4.1 The UK National Education Union provides first year teachers membership for GBP £1. Beyond that membership is banded into support, teachers and leaders with three tiers within each band based on their contracted hours. A full time teacher contributes NZD$19.77 per fortnight.

2.4.2 The Australian Education Union (VIC Branch) charges NZD$42.65 and also offers discounts to early career teachers. It is noted their fees are tax deductible with teachers in the 32.5% tax bracket getting approximately $13 back.

2.4.3 The Association of Secondary Teachers, Ireland advises that general membership is approximately 0.76% of salary.

2.4.4 The Ontario Teachers Union is by far the most expensive the authors found, charging a basic rate of 1.6%. With such a high rate, members enjoy other benefits.

2.5 Overall, a comparison of subscription rates demonstrates that the current PPTA fee for a full-time, experienced teacher is significantly higher than that of most comparable unions both domestically and internationally.

2.6 Adjusting the PPTA subscription to 0.8% of total salary using 2027 salaries as examples:

Teacher ONE on Step 3:

Trained Base Scale - Step 3: $69,616
Existing Subscription (1% of Base): $69,616 x 0.01 = **$696.16**
Proposed Subscription (0.8% of Total): $69,616 x 0.008 = **$556.93**

Teacher TWO on Step 10:

Trained Base Scale - Step 10: $107,886
Existing Subscription (1% of Base): $107,886 x 0.01 = **$1,078.86**
Proposed Subscription (0.8% of Total): $107,886 x 0.008 = **$863.09**

Teacher THREE on Step 10 with 4 MU and 2 MMA:

Total Salary: $107,886 + $26,800 = **$134,686**
Existing Subscription (1% of Base): $107,886 x 0.01 = **$1,078.86**
Proposed Subscription (0.8% of Total): $134,686 x 0.008 = **$1,077.49**

A more extensive breakdown of salary steps and subscriptions is provided in Appendix 1.

2.7 A change to 0.8% of total salary would mean a reduction in subscriptions for anyone who does not earn greater than 25% of their base salary in additional units and allowances. This 25% figure represents the point where 1% of the *base salary* is equivalent to 0.8% of the *total salary* (*base salary* + 25% in allowances), ensuring the fee reduction benefits the vast majority of members without high allowances.

2.8 Dodini et al. (2023) note that union membership is price sensitive with union members carefully weighing the perceived benefits against the costs. This redistribution recognises the differing financial capacities of members, particularly supporting early-career members, while maintaining proportional contributions from senior and management teacher members. It strengthens inclusivity, fairness, and member engagement, ensuring that PPTA remains representative, sustainable, and responsive to its membership.

2.9 An equitable subscription model is not only fairer; it is a retention strategy, reducing the barrier to entry for newer and lower-paid teachers while strengthening long-term membership stability as careers and salaries grow.

2.10 A change to *total salary* would generate additional income to mitigate the loss from reducing the percentage figure used. An OIA request to the Ministry of Education revealed there were 32,262 Management Units and 15,249 Senior/Middle Management Allowances allocated to schools in 2025 covered by the Secondary Teachers Collective Agreement and the Area Schools Collective Agreement. These, in addition to other allowances totalled in excess of $203 million in 2025, noteworthy is that Units alone accounted for $140 million of this and have increased in value by 10% since. Assuming approximately 2/3rds of teachers belong to the PPTA, and taking 0.8% of this figure this paper estimates Units and Allowances would generate an additional $1 million in revenue.

2.11 The Association reported subscriptions totaled $15.5 million in 2025. A 20% decrease, to reflect the change from 1% of base to 0.8% of base, would result in a $3.1 million decrease in subscriptions to $12.4 million. When including the additional estimated subscriptions from moving to a total remuneration model this figure is estimated to be $13.4 million, however, the authors note that further modelling by suitably qualified organisation(s) is required to verify these figures.

3 Membership Sentiment and Survey Validation

Refer Appendix THREE

3.1 Support for a Proportional Fee Model

3.1.1 The membership survey found strong support for the principle of calculating fees on *total salary* to ensure proportional contribution across all members. 60% of respondents supported the specific proposal to set the full subscription rate at 0.8% of *total salary*. A further 19% supported the principle of subscription based on *total salary* but were unsure of the specific rate that subscriptions should be set.

3.2 Support for Financial Audit and Interim Reduction

3.2.1 An overwhelming majority of members supported the proposal to commission an independent financial audit to review the current fee structure and cash reserves. Furthermore, 95% supported an immediate, short-term reduction to 0.8% of base salary while the full audit takes place.

3.3 Member Concerns and Alternative Models

3.3.1 While 81% of respondents provided no alternative suggestions, 6% of the total respondents identified a flat rate as their preferred method of subscription, with no other significant trends identified.

3.3.2 The 19% of members who provided additional feedback focused on three core areas regarding the Association's value and financial transparency.

- Value and Performance: Many members feel the current fees do not reflect "value for money," particularly following recent pay negotiations. This frustration often stems from the perception that non-union members receive the same benefits, leading some to question the purpose of membership if fees are high.
- Operational Cost Cutting: Respondents strongly urged the Association to modernize and reduce overhead. Suggestions included replacing expensive in-person conferences and travel with digital meetings, eliminating "extras", and providing clearer reporting on spending and the use of financial reserves.
- Penalising Leadership: There is a small amount of opposition to increasing fees for those with Management Units. Critics argue this "penalises responsibility" and adds a financial burden to those in demanding roles.

3.4 Importance of Services

3.4.1 Mixed results on members' priorities for the Association indicate that further examination of how the membership subscriptions are spent is required. Notably, industrial services (collective bargaining, collective support) were rated the most important service, by far.

4 Financial Feasibility and Scope of Independent Audit

4.1 A financial review should take place to examine the membership subscription fees for full members.

4.1.1 A financial review demonstrates accountability and transparency to the membership by checking that fees match the Association's real financial needs and obligations. It builds member trust by showing that fee decisions are based on evidence, not just internal estimates. Lastly, it separates genuine cost recovery from charging members for functions they may not directly benefit from, which is a concern highlighted in fee-setting disputes involving our teacher registration body (PPTA, 2025).

4.2 To ensure the independence and professional rigour of the review, the National Executive should invite proposals from established, reputable firms.

4.3 Financial Affordability

4.3.1 The Association has demonstrated consistent financial health, reporting a $2.4 million after-tax surplus in its 2025 Accounts. This, coupled with the accumulated funds of almost $20 million, confirms that a modest reduction in ongoing subscription rates is financially feasible. This paper notes that a preliminary surplus of $912,000 for 2026 is significantly less than the 2025 figure with a $530,000 deficit projected for 2027.

4.3.2 The Association's current financial position raises a critical question about financial stewardship. Maintaining a surplus significantly beyond the needs of operational and industrial action reserves creates an environment prone to mission drift and careless spending. Without the financial discipline imposed by a tighter operational budget, funds may be allocated toward "passion projects" that lack genuine grounding in membership mandates, rather than focusing solely on the core industrial and advocacy services that members prioritise. The membership survey specifically urged the Association to modernise and reduce overhead, including eliminating "extras" and replacing expensive travel with digital meetings, which points directly to a perceived lack of judicious spending driven by the excessive financial reserves.

4.4 Scope of the Independent Financial Review

4.4.1 The commissioned independent financial review should encompass the following key areas:

4.4.1.1 Fee Structure Analysis:

4.4.1.1.1 A detailed examination of the current 1% of base salary model against the proposed 0.8% of total salary model, including a review of the equity and financial implications of both, and a recommendation of the final percentage figure and subscription model that should be used to ensure the Association's financial sustainability.

4.4.1.1.2 A review of membership expectations on how their subscription fees should be utilised to best support them in professional, industrial, and advocacy services.

4.4.1.1.3 A review of how membership funds are currently being allocated.

4.4.2 Financial Health and Reserves:

4.4.2.1 An assessment of the Association's cash reserves and investments to confirm long-term financial sustainability and the appropriate level of accumulated funds required for operational and industrial action needs.

4.4.3 Implementation and Compliance:

4.4.3.1 Recommendations for any structural or procedural changes necessary to implement a revised fee structure and enhance financial transparency.

4.4.3.2 Confirmation of the technical capabilities of EdPay and lead times required.

4.4.3.3 Due diligence of legal & constitutional requirements of such a change.

4.4.3.4 Timelines and recommendations for future reviews to respond to changing membership priorities.

4.5 Nothing in this paper suggests moving to a long-term model that would result in sustained budget deficits or undermines the Association’s ability to carry out its existing or emerging strategic priorities.

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Appendix 1

A breakdown of the salary scales and an alternative subscription model for 2027.

Trained Scale

Step	Qualification Groups	Rates effective 28 January 2027	Existing Subscription Model 1% of Base	Alternative Model 0.8% of Total	Change
1	G3E	$64,119	$641.19	$512.95	-$128.24
2	G3+E	$66,999	$669.99	$535.99	-$134.00
3	G4E	$69,616	$696.16	$556.93	-$139.23
4	G5E	$73,999	$739.99	$591.99	-$148.00
5		$78,768	$787.68	$630.14	-$157.54
6		$83,874	$838.74	$670.99	-$167.75
7		$90,042	$900.42	$720.34	-$180.08
8		$95,099	$950.99	$760.79	-$190.20
9	G3M	$102,475	$1024.75	$819.80	-$204.95
10	G3+M, G4M, G5M	$107,886	$1078.86	$863.09	-$215.77

Untrained Scale

Step	Qualification Groups	Rates effective 28 January 2027	Existing Subscription Model 1% of Base	Alternative Model 0.8% of Total	Change
U1	G1, G2, G3E	$55,574	$555.74	$444.59	-$111.15
U2		$57,833	$578.33	$462.66	-$115.67
U3	G4E	$63,072	$630.72	$504.58	-$126.14
U4	G5E	$64,773	$647.73	$518.18	-$129.55
U5		$67,390	$673.90	$539.12	-$134.78
U6		$71,317	$713.17	$570.54	-$142.63
U7	G1M	$76,943	$769.43	$615.54	-$153.89
U8	G2M	$82,569	$825.69	$660.55	-$165.14
U9		$89,636	$896.36	$717.09	-$179.27
U10	G3, G4, G5M	$92,907	$929.07	$743.26	-$185.81

Allowances

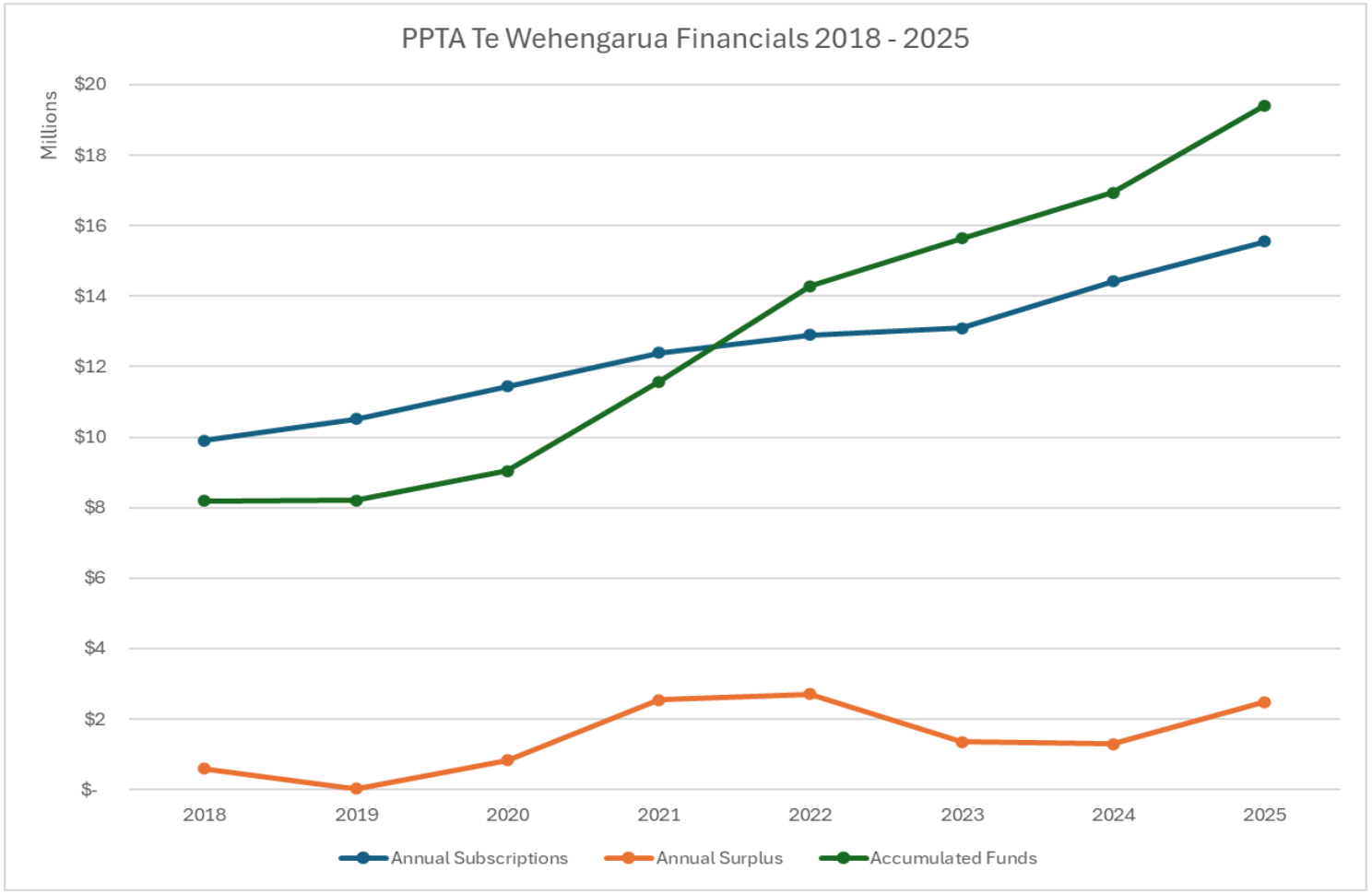
Allowances*	Rates effective 28 January 2027	Alternative Subscription Rate - Calculated in addition to the base scale subscription rate. (0.8% of Allowance)
Management Unit	$5,500	+$44.00
Management Allowance (Middle & Senior)	$2,400	+$19.20
Specialist Classroom Teacher	$11,000	+$88.00
Maori Immersion Teachers Allowance	$4,000 - $12,000	+$32.00 - $96.00
Service/Qualification Increment	$2,000	+$16.00
Career Advisor Allowance	$2,250	+$18.00
Staffing Incentive Allowance	$1,000	+$8.00
High Priority Teacher Supply Allowance	$2,500	+$20.00
Bus Controllers Allowance	$3.61 + $1.26 per additional route	+$0.02888 + $0.01008 per additional route
Special Duties Increment Allowance	$995	+$7.96
Pacific Bilingual Immersion Teaching Allowance	$4,000 - $8,000	+$32.00 - $64.00
Principal's Nominee Allowance	$2,500	+$20.00

*not an exhaustive list.

Examples

Teacher Example	Salary Details	Base Salary (Step Rate)	Total Allowances	Total Salary	Existing Subscription (1% of Base)	Alternative Subscription (0.8% of Total)	Change in Annual Cost
Teacher 1	Step 2	$66,999	$0	$66,999	$669.99	$535.99	-$134.00
Teacher 2	Step 8	$95,099	$0	$95,099	$950.99	$760.79	-$190.20
Teacher 3	Step 7 1 MU & 1 MMA	$90,042	$7,900 (1x $5,500 + 1x $2,400)	$97,942	$900.42	$783.54	-$116.88
Teacher 4	Step 10 2 MU & 1 MMA	$107,886	$13,400 (2x $5,500 + 1x $2,400)	$121,286	$1,078.86	$970.29	-$108.57
Teacher 5	Step 10 4 MU & 2 MMA	$107,886	$26,800 (5x $5,500)	$134,686	$1,078.86	$1,077.49	-$1.37
Teacher 6	Step 10 6 MU & 1 SMA	$107,886	$35,400 (6x $5,500 + 1x $2,400)	$143,286	$1,078.86	$1,146.29	+$67.43
Teacher 7	Step 10 10 MU	$107,886	$55,000 (10x $5,500)	$162,886	$1,078.86	$1,303.09	+$224.23

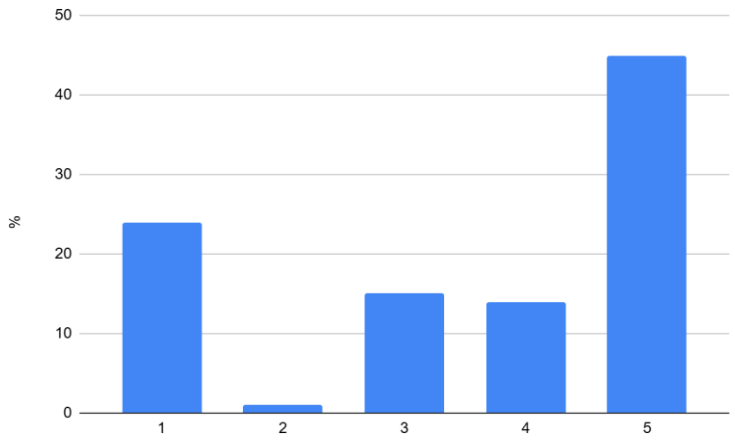
Appendix 2


PPTA Te Wehengarua Financials 2018 - 2025
Millions
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$-
2018
2019
2020
2021
2022
2023
2024
2025
Annual Subscriptions
Annual Surplus
Accumulated Funds

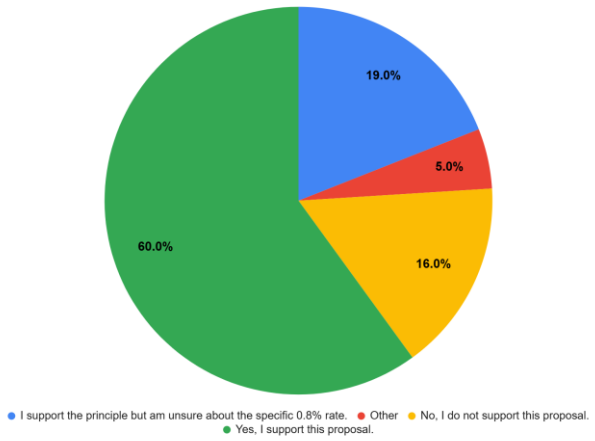
Appendix 3

Membership Survey

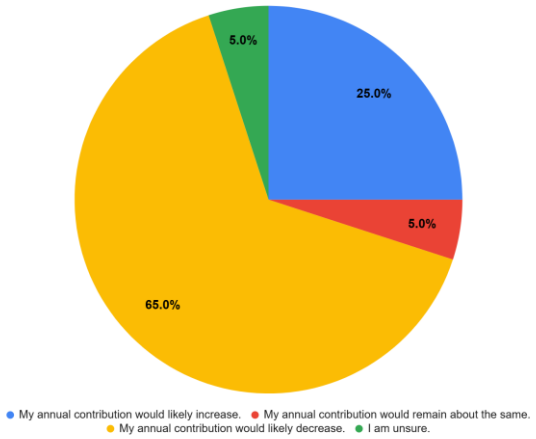
Do you agree with the principle of calculating fees on total salary to ensure proportional contribution across all members? 1 = Strongly Disagree, 5 = Strongly Agree



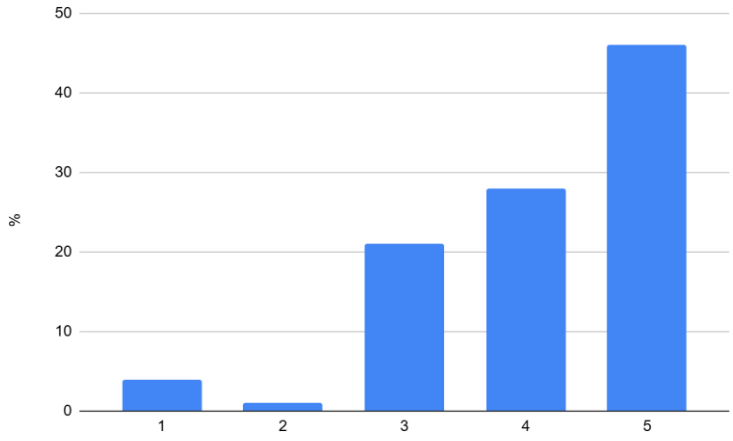
Do you support a specific proposal to set the full membership subscription rate at 0.8% of *total* salary?



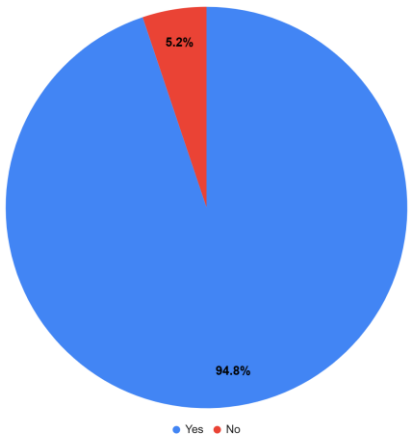
How would the proposed 0.8% of total salary model impact your personal financial contribution compared to the current 1% of base salary?



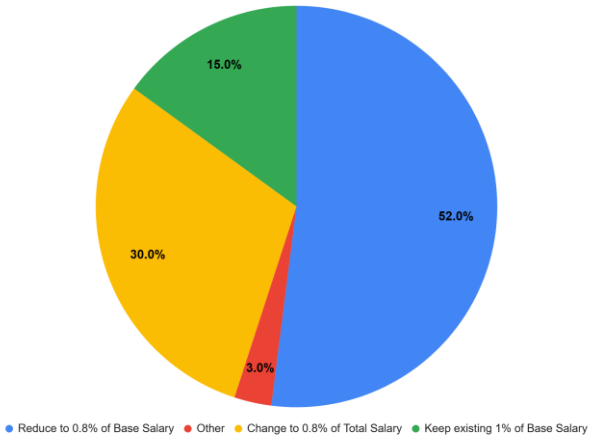
The paper may recommend that PPTA Te Wehengarua should commission an independent financial audit to review the current fee structure, cash reserves, and fund allocation. Do you support this action?



Would you support a short-term reduction while a full independent audit takes place?



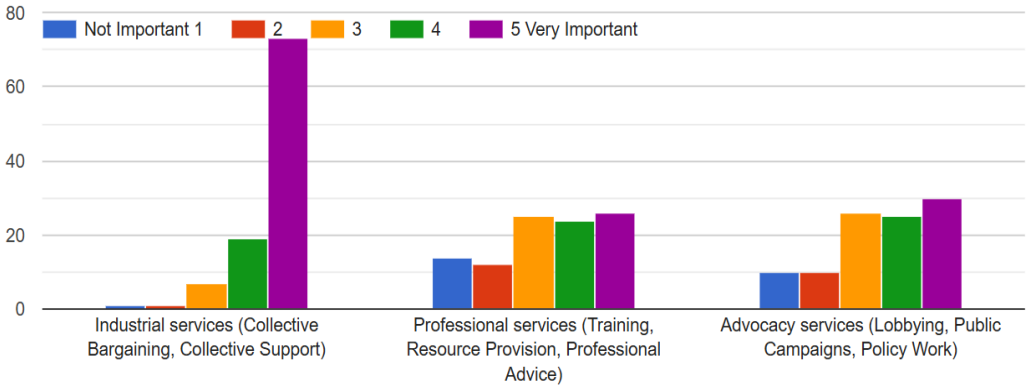
What model of subscription do you think should be implemented in the interim until the Executive can fully evaluate long term changes to subscriptions?



Are there other subscription models you'd like Executive to evaluate (e.g. flat rate, salary bands, or subsidised access for specific groups)?

81% of respondents left this question blank. 6% of respondents identified a flat rate as their preferred method of subscription, no other significant trends were identified.

How important are the following services that the PPTA Te Wehengarua provides to you as a member?



Please provide any additional comments or concerns you have regarding the proposed changes to membership fees or the Association's financial transparency.

While 81% of respondents left the question blank, the 19% who provided feedback focused on three core areas:

Value and Performance

Many members feel the current fees do not reflect the "value for money" provided, particularly following recent pay negotiations. There is frustration that non-union members receive the same benefits, leading some to question the purpose of membership if fees are high but gains are perceived as low.

Operational Cost Cutting

Respondents strongly urged the Association to modernize and reduce overhead by:

- Replacing expensive in-person conferences and travel with digital meetings.
- Eliminating "extras" to focus solely on advocacy and legal support.
- Providing clearer reporting on spending and the use of financial reserves.

Penalising Leadership

There is a small amount of opposition to increasing fees for those with Management Units. Critics argue this "penalises responsibility" and adds a financial burden to demanding roles.