



Establishment funding

May 2026

Charter schools, like state schools, receive funding to help them get established

The Government provides funding to new charter and state schools to get them up and running.

Most charter school funding so far has gone towards start-up and first-year costs. All new schools have set-up costs.

Comparing establishment funding for state and charter schools

To provide a fair comparison on what it costs the Government to set up a new charter school vs a new state school we've modelled an example school which opens with 100 students.

This model shows how much funding the Government would provide for staff and day-to-day operations, depending on whether the school was set up as a state school or a charter school.

A charter school receives significantly less set up funding than it would if it was set up as a state school.

The table below shows estimated set-up funding for a new school with 100 students.

Table 1: Modelling establishment funding for a new state or charter school

Funding component	Primary school		Secondary school	
	State school	Charter school	State school	Charter school
Salaries	\$360,288	\$188,260	\$644,886	\$236,461

Operations	\$277,961	\$213,415	\$306,513	\$242,297
Establishment funding	\$638,249	\$401,675	\$951,399	\$478,758

Property and services costs are not included in this comparison. This is because state schools and charter schools are funded for buildings and services in different ways, so they are not directly comparable.

The costs of purchasing, building or renting a new state school property is managed through the Ministry of Education (MoE), and the exact costs of doing so will vary based on a variety of factors.

Charter school establishment funding for property also varies depending on if the property is owned by the sponsor or leased.

State schools receive guaranteed additional funding in their first few years, Charter Schools don't

A new charter school receives funding in its first year based, in part, on the roll they expect to have at the start of their second year. If they don't reach that roll, the funding can be recovered.

A state school receives funding in its first three years based on the roll it expects to have in its fourth year. The funding is guaranteed regardless of if that school reaches that roll.

Table 2: How Government funds new schools

Type of support	State school	Charter school
Establishment/notional roll	Based on fourth year roll	Term 5 roll
Establishment support	<ul style="list-style-type: none"> Funding in first three years based on notional roll. Can receive staffing for several years before they open, along with new buildings and set-up grants. 	<ul style="list-style-type: none"> Receive a one-off payment to cover property and staff costs for up to six months before opening. Some funding in year one based on establishment roll.
When actual rolls inform all funding	Year 4	Year 2
Funding recoverable	No	Yes

Charter schools have a year to build their rolls

From their second year*, all charter school funding is based on actual rolls. The funding rate is broadly the same as an equivalent state school.

In 2024 the average state primary school was funded \$8,762 per student (for operational and staffing costs). A charter primary school of the same size receives around \$8,278 per student.

In 2024 the average state secondary school was funded \$11,040 per student. A charter secondary school of the same size receives around \$10,741 per student.

Notes

All values are GST exclusive.

Notes on table 1

This analysis compares set-up funding for state and charter schools using the same assumptions:

- Each school starts with 100 students
- Student year levels are the same for both school types
- Only staffing and operational funding is included

Subcomponent	State school	Charter school
Operations	Administration Grant Library/resource centre grant Learning and teaching grant	Operational funding
Salaries	Senior staffing Remaining staff	Senior management funding Funding for remaining staff

Salary rates from the new collective agreements are not used, as charter school rates are not updated in line with the new agreements.

*Notes on charter school funding from year 2

For more information and the caveats associated with ongoing charter school funding see: [Charter-school-funding-factsheet.pdf](#)

