

Charter Schools | Kura Hourua: Performance Management Framework

Charter schools are an alternative way of delivering education to meet the needs and preferences of students. Charter schools will have greater flexibility to innovate, including in the design of a school's structure, governance, and curriculum. In exchange for greater flexibility, they are subject to increased oversight and accountability through the performance management framework.

The framework sets out clearly defined performance outcomes, measures and targets, as well as the methods used to track these. It will be used to hold sponsors to account and provide the Government and the community with assurance that charter schools are delivering quality education.

Outcomes	Measures	Targets	Method	Reporting
Attendance	Attendance at school (mean attendance)	80% of learners regularly attending	Electronic attendance register	Daily, each term, an annual self-audit due 30 September 2025 and an end of year report due 15 February 2026
Achievement	Primary: Years 3 to 10 <ul style="list-style-type: none"> Reading or pānui Writing or tuhituhi Mathematics or pāngarau 	80% of learners are at or above the expected curriculum level	Assessment tools such as: <ul style="list-style-type: none"> e-asTTle (MoE) Progressive Achievement Tests (PATs - NZCER) Te Waharoa Ararau (MoE) 	Annual self-audit due 30 September 2025 and an end of year report due 15 February 2026
	Secondary: Years 11 and above <ul style="list-style-type: none"> Qualification attainment 	95% of school leavers reach NCEA level 2 or above	NCEA Level 2 attainment / equivalent in an approved qualification	Annual self-audit due 30 September 2025 and an end of year report due 15 February 2026
Financial performance	Financial health Key indicators include operating surplus, working capital ratio, debt/equity ratio, operating cash, enrolment variance.	<ul style="list-style-type: none"> Operating surplus: 2-5% Working capital ratio: 2:1 Debt/equity ratio: 0.5:1 Operating cash: Positive cashflow forecast = actual Enrolment variance: Contextual measure assessed in reports as either: Growing, Stable, or Decreasing. 	Annual self-audit due 30 September 2025 (includes independently audited financial statements) and an end of year report due on 15 February 2026	Annual self-audit due 30 September 2025 (includes independently audited financial statements) and an end of year report due 15 February 2026
	Financial probity <ul style="list-style-type: none"> Discharge of all contractual obligations before using any profit Notification when any source of anticipated funding (on which the ongoing viability of the sponsor or school(s) is dependent) will not be available Notification of any failure to pay debt from borrowed money; or of any expectation they will fail to pay this debt in future Related party disclosure Sensitive expenditure policies in place Expected use of funds and financial plans 			
Standard minimum compliance (SMC)	<ul style="list-style-type: none"> Employment of certificated teachers and LATs Student enrolment requirements School day, hours and term date requirements Property Reporting requirements Insurance Transport provision requirements (if applicable) 	SMC measures do not require performance targets. A sponsor's failure to meet standards carries an immediate risk to students and/or school operations.	Annual self-audit including a sponsor assurance statement and a self-audit check	Annual self-audit due 30 September 2026
	Intervention framework The Intervention Framework sets out specific actions that can be used where a charter school is not meeting its contractual or legislative obligations. The Authorisation Board will consider progress over time when applying an intervention. Interventions set in legislation and used by the Authorisation Board: <ul style="list-style-type: none"> Require a sponsor to provide specific information or carry out a specific action Require the Education Review Office to conduct a review of the school Replacement of the sponsor Termination of the contract 		Performance monitoring The Charter School Agency and the Education Review Office have worked closely to develop a robust monitoring approach for charter schools. The Charter School Agency will be responsible for day-to-day monitoring of charter schools and will report as required to the Authorisation Board. The legislative framework for charter schools sets out that: <ul style="list-style-type: none"> Sponsors will be held accountable to performance outcomes and that they will provide information on performance outcomes Contracts can specify what performance information is to be provided using specific tools or submission of data Performance measures and targets may be standardised across schools or a group of schools Charter schools must complete an annual self-audit, including a set of independently audited financial accounts 	