



Budget 2024 Decision: Charter Schools | Kura Hourua

version updated in August 2025

Through Budget 2024, we were provided funding for the following major spending decision:

\$153.090 million over four years for establishing and operating charter schools | kura hourua. Funding will go towards establishing approximately 15 new charter schools and converting approximately 35 state schools to charter schools depending on demand and suitability, with appropriate support and monitoring.

This initiative provides new funding to establish and operate charter schools | kura hourua. It gives a new schooling choice to families, and more flexibility for educators to lift children's achievement. In exchange for greater flexibility, school sponsors will be subject to increased oversight and accountability. The intended result is improved educational outcomes in terms of student attendance and achievement.

What was allocated in Budget 2024

This funding profile reflects initial Budget 2024 assumptions of expected timelines and demand for charter schools. As we contract with more sponsors and the delivery profile becomes clearer (ie. when schools are established and grow), any surplus funding will be transferred to future years or returned to The Treasury.

2024/25	2025/26	2026/27	2027/28
\$23.216M	\$57.340M	\$36.645M	\$35.88M

Resourcing and oversight:

Additional funding has been allocated to the first two years of implementation for one-off spend such as legal advice for contract development and negotiation, and external support partners for the charter schools who provide application support, establishment support, and support up to the first six months of their operation. It also includes other set up requirements to establish an operating model and appropriate capability, systems and processes to establish and monitor the schools in conjunction with other agencies such as the Ministry of Education and Education Review Office. Ongoing funding for resourcing and oversight is expected to decrease once charter schools are established and operational.

Funding schools:

New funding from Budget 2024 will largely be used to cover the additional establishment and ongoing operating costs of new charter schools. The charter school funding model is broadly equivalent to the funding that state schools receive. Charter school funding will transfer from the state sector as schools convert and students transfer to charter schools.

Authorisation Board:

The Charter School Authorisation Board approves sponsors to operate charter schools and oversees performance management. They also decide on the use of interventions if a charter school is not performing well.

Planned timeline

To deliver new and converting charter schools:

- The first application round for charter schools was undertaken in the second half of 2024.
- The first tranche of new charter schools opened in term 1 of 2025, with an additional school contracted to open in July 2025.
- The second application round for new schools was in the first half of 2025, and expressions of interest from sponsors related to state or state integrated schools considering converting can be submitted each term.
- In the second half of 2025, the Authorisation Board will approve applications for both new and converting charter schools, and negotiations will commence with approved sponsors.
- The second tranche of new charter schools is planned to open by term 1 of 2026.

Our progress as of 30 June 2025

We have made significant progress with implementing and operating the charter school model over the first year. After the passing of legislation, the Authorisation Board took office and considered applications from potential sponsors to operate new and converting charter schools from the initial 2024 application round. Following their approval decisions, we negotiated a number of sponsor contracts.

As of 30 June 2025, nine sponsor contracts were signed to operate new charter schools. Seven of these were established and successfully opened in term 1 of 2025. An eighth was due to open in July 2025 and another at the beginning of 2026. The first application round also resulted in further approved sponsors for both new and converting charter schools, who are at different stages of contract negotiation. Announcements will follow once these contracts are negotiated and signed.

There were 287 students enrolled at charter schools as at the July 2025 roll return. Now that the first tranche of charter schools is open and operating, the Agency is focused on growing the charter school network through delivering further new schools and supporting the conversion of state and state-integrated schools. It is also focused on monitoring charter school performance, identifying performance risks and informing interventions.

The Charter School Authorisation Board is currently considering applications for new and converting charter schools. The 2025 application round showed high demand from prospective sponsors to establish new charter schools, with 52 applications received from prospective sponsors. Expressions of interest from sponsors related to state or state integrated schools considering converting to charter schools can be submitted each term. As of 30 June 2025, the Agency received six further expressions of interest from schools interested in converting. State and state integrated schools are reaching out to discuss the process for converting to a charter school. The Agency expects more schools to submit expressions of interest and applications to convert to charter schools over the remainder of the year.

Importantly, charter schools are focused on delivering value for money and strong outcomes. We are receiving a number of success stories from charter schools across the network. Examples include chronic truants who are now attending school regularly, a student who could barely read who is now a confident reader and a student whose parent says has become confident and engaged in life, leaving his pent-up anger and frustration behind since attending a charter school.

Deliver charter schools	
We will report on:	
Total number of charter school contracts	9 contracts signed as of 30 June 2025
Total number of newly established charter schools	7 new charter schools operating as of 30 June 2025
Total number of converted state schools into charter schools	0 converted charter schools operating as of 30 June 2025
The results of these measures will be reported in the respective year's annual report and will be updated on our website in January and August of each year.	

Improve educational outcomes	
We will report on:	
Student attendance at charter schools - increasing trend	TBC
Student achievement at charter schools - increasing trend	TBC
The results of these measures will be reported in annual reports once schools are operational and baseline data is available from 2026.	

Actual spend and updated Budget allocations

\$16.973M

actual spend (unaudited) – 1 July 2024 to 30 June 2025

The updated budget for 2024/25 reflects baselines set through Budget 2025 for the Charter Schools | Kura Hourua multi category appropriation. They include approved changes and transfers from the state sector, based on the principle that the funding follows the student. The final results for 2024/25 will be reported in our annual report, as part of the audited financial statements.

Appropriation category	2024/25 Budget (per Estimates)	2024/25 Actual (unaudited)
Resourcing and oversight	\$6.829M	\$5.917M
Funding schools	\$14.453M	\$10.915M
Authorisation Board	\$0.200M	\$0.141M
	\$21.482M	\$16.973M

The Charter Schools | Kura Hourua multi category appropriation received additional funding in the first two years to enable the establishment of the new policy. Initial Budget 2024 assumptions were that funding will go towards establishing approximately 15 new charter schools and converting approximately 35 state schools to charter schools in 2025 and 2026, depending on demand and suitability. It was expected that the budget and delivery profile would change to reflect the demand from applicants for charter schools, assessment of sponsor suitability and readiness to open.

\$4.011 million was reprioritised from the Agency's initial departmental budget for the 2024/25 year, after finding saving opportunities. Contributing to this underspend were operating efficiencies introduced by the Agency, such as undertaking contract negotiations in-house, and using existing resources within the education sector.

A total of \$10.915 million of non-departmental expenditure for the 2024/25 year covered sponsor payments to establish and operate charter schools. This included \$6.348 million in one-off establishment funding and \$4.567 million in entitlement funding. These amounts reflect sponsor payments made to establish and operate new charter schools which are open, as well as those contracted and not yet open.

Charter schools are mostly funded on a 'per student' basis. Funding is broadly equivalent to that of state schools with similar rolls and characteristics. Each component within the five funding categories (establishment, property, services, staffing and operations) has been allocated a value which reflects the value of equivalent resourcing for state schools. The funding charter schools receive over the term of their 10-year contract is broadly equivalent to state schools of a similar roll and type.

As with all state schools, sponsors of new charter schools receive funding to help them prepare the school to open. All schools need time to establish. Most state schools take around three years. The first charter schools have had less than one year to grow and reach their establishment roll. Charter school payments are adjusted to reflect rolls, and it is expected that value will continue to improve over time as rolls grow.

Charter school funding is adjusted throughout the year depending on student roll data. This means the cost of charter schools will not be known until the final payments to sponsors are calculated later in the year. It is not accurate to apply the roll return figure to determine per-student funding. This is because:

- roll numbers change throughout the year
- funding is adjusted throughout the year
- significant components of the funding in their first year of operation are calculated on the schools' establishment roll. This is a realistic, evidence-based forecast of the schools' likely roll in their fifth term of operation.

