



Budget 2024 Decision: Charter Schools | Kura Hourua

version updated in January 2026

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	\$35.889m

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 were submitted each term.
- In the second half of 2025, the Authorisation Board approved sponsors to operate charter schools, and negotiations commenced with approved sponsors.
- The next tranche of new charter schools is planned to open by term 1 of 2026, with more to follow in later terms.

Our progress as of 31 December 2025:

The Agency has managed two application rounds for new schools on behalf of the Authorisation Board, as well as expressions of interest received each term for converting state or state integrated schools into charter schools. Following approvals, the Agency entered into and concluded contract negotiations with a number of sponsors.

As of 31 December 2025, 17 sponsor contracts were signed to operate new charter schools. Eight of these were established and successfully opened in term 1 and term 3 of 2025. The 2025 application round showed high demand from prospective sponsors to establish new charter schools, with 52 applications received from prospective sponsors.

There were 427 students enrolled at charter schools as at the September 2025 roll return and further growth anticipated for 2026 where the first tranche of charter schools are expected to reach their establishment rolls (in their fifth term of operation). Now that the first tranche of charter schools is open and operating, the Agency is supporting the Authorisation Board to grow the charter school network through the establishment of further new schools and the conversion of state and state integrated schools into charter schools. It is also focused on monitoring charter school performance, identifying performance risks, and informing interventions. All charter schools that opened in Term 1, 2025 are set to publicly report on their 2025 school-year performance by May 2026.

The Agency has received a total of 16 formal expressions of interest from state and state integrated schools interested in converting to become charter schools. Nine of these are full written applications and are progressing through various stages of the applications and contracting process. About 16 other schools are actively considering, consulting on, and exploring converting to a charter school.

Ultimately, charter schools are about delivering outcomes. Early information reported to the Authorisation Board shows charter schools are taking deliberate steps to drive performance and lift student achievement and attendance. This is a baseline year with the first tranche of new charter schools opened in term 1 2025. For schools that opened in term 1 2025, this means that the attendance outcomes at the end of the 2025 school year formally becomes the baseline and will be publicly reported by May 2026. There are a number of success stories from charter schools across the network. Student and parent testimonials are available in the Agency's 2025 annual report.

Deliver charter schools	
We will report on:	
Total number of charter school contracts	17 contracts signed as of 31 December 2025
Total number of newly established charter schools	8 new charter schools operating as of 31 December 2025
Total number of converted state schools into charter schools	0 converted charter schools operating as of 31 December 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
Progress made will be reported in prospective annual reports once schools are operational and baseline data is available from 2026.	

Actual spend and updated Budget allocations

\$37.494m

\$16.973m actual spend (audited) - 1 July 2024 to 30 June 2025
\$20.521m actual spend (unaudited) - 1 July 2025 to 31 December 2025

The updated budget allocations reflect 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 2025/26 will be reported in our annual report, as part of the audited financial statements.

Appropriation category	2024/25 Budget (per Estimates)	2024/25 Budget (per Annual Report)	2025/26 Budget (per Estimates)	2025/26 YTD (unaudited)
Resourcing and oversight	\$6.829m	\$5.917m	\$8.424m	\$2.667m
Funding schools	\$14.453m	\$10.915m	\$48.611m	\$17.736m
Authorisation Board	\$0.200m	\$0.141m	\$0.200m	\$0.117m
	\$21.482m	\$16.973m	\$57.235m	\$20.521m

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 \$28.651 million of non-departmental expenditure covered sponsor payments to establish and operate charter schools. This included \$18.495 million in one-off establishment funding and \$10.156 million in operational 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.

It is not accurate to apply the latest roll return figure to the total amount paid to sponsors, to determine per-student funding.

Charter schools are mostly funded on a 'per student' basis. Funding is broadly equivalent to that for 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.

Just like state schools, sponsors of new charter schools receive funding to help them get the school ready to open. This is in the form of a one-off payment made shortly after their contract is signed. The establishment payment is based on the establishment roll – a realistic, evidence-based forecast of the school's likely roll in term 5 of operations.

All schools receive different levels of funding when they first open, and charter schools are no exception. However, charter schools only receive additional certainty of funding in their first year of operation, whereas state schools can receive guaranteed funding for up to three years. Significant components of the funding in their first year of operation are calculated on the schools' establishment roll.

After year one, all payments are based on the school's actual rolls. 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.

