



**Charter School Agency**  
Te Tari Kura Hourua

# Annual Report 2025

for the year ended  
30 June 2025

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

**Presented to the House of Representatives pursuant  
to section 44 of the Public Finance Act 1989**

**Charter School Agency  
October 2025**

**ISBN 1978-1-75991-342-1 (Print)  
ISBN 978-1-75991-341-4 (Online)**

Published by the Charter School Agency, October 2025.

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**Te Kāwanatanga o Aotearoa**  
New Zealand Government

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# Statement of responsibility

## *Tauākī o te haepapa*

I am responsible, as Chief Executive of the Charter School Agency, for:

- the preparation of the Agency's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the agency is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report
- the accuracy of any end-of-year performance information prepared by the Agency, whether or not that information is included in the Annual Report.

In my opinion:

- the Annual Report fairly reflects the operations, progress and the organisational health and capability of the agency
- the financial statements fairly reflect the financial position of the Agency as of 30 June 2025 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Agency as of 30 June 2025 and its operations for the year ending on that date.



**Jane Lee**

Chief Executive

Charter School Agency | Te Tari Kura Hourua

30 September 2025

# Chief Executive foreword

## *Kupu Whakataki a te Tumu Whakarae*

The first annual report for the Agency provides an opportunity to reflect on opportunities, challenges and successes over the past 12 months.

The charter school | kura hourua philosophy is simple: in the education system, one size doesn't fit all. Charter schools have greater autonomy and more flexibility in how they teach, what curriculum they use and how they spend their funding. This allows charter schools to respond to the different needs of students. In return for greater flexibility, they have greater accountability.

Over time, we expect to see a lasting network of charter schools that will strengthen and diversify the New Zealand education system. These schools will provide genuine choice for parents and students and raise overall educational achievement. This will help ensure that every student has the opportunity to learn, achieve and progress.

Better outcomes are achieved when we put the child at the heart of what we do. This core belief shapes the Agency's thinking, informs its actions and ensures its efforts are always aligned with what is best for students.

Charter schools are public schools, but instead of a school board, they are operated by a sponsor – an organisation that has signed a contract with the Crown to operate the school. In return for greater autonomy, sponsors are held accountable for meeting specific performance targets outlined in their contract. Sponsors can apply to set up a new charter school or to convert a state or state integrated school to a charter school so they can operate in a more flexible way. The Agency recognises that there are system-level barriers which influence student achievement, progress and attendance. At the same time, many of the most effective levers for improving outcomes for students sit at school level, where sponsors have the greatest influence.

Key to the success of the charter school model is the Charter School Authorisation Board | Te Poari Whakamana Kura Hourua, which approves sponsors for new and converting charter schools, oversees school performance and decides on interventions with schools. The Agency is the secretariat for the Authorisation Board and places a high importance on supporting effective and robust authorisation through its work.

**PART ONE**

The Agency is hosted by the Ministry of Education, but functions as a distinct departmental agency with its own Chief Executive and accountability to the Associate Minister of Education. This structure has allowed the Agency to focus on the unique aspects of implementing and operating the charter school model, while still drawing on the Ministry of Education for expertise, corporate services and operational working arrangements that enable it to perform. This helped to accelerate policy implementation and meant the Agency could be established quickly and hit the ground running.

The Government allocated \$153 million in Budget 2024 to establish approximately 15 new charter schools and convert around 35 state schools to charter schools, depending on demand and suitability. This funding is spread over four years. The Associate Minister of Education tasked the Agency with implementing the charter school model so that the first schools could open by term 1, 2025.

This expectation presented immediate challenges. The Agency did not have the usual timeframes in which to establish itself, set direction and develop its strategy. There was no legislation in place. The Education and Training Amendment Act 2024, which sets out the framework for how charter schools are set up, operate, and monitored was not passed until late September, three months after the Agency was established.

Despite these challenges, 11 days after the Agency was established and with the support of the Ministry of Education, it launched the first round of applications for new and converting schools. A total of 78 applications were submitted by the deadline, providing tangible interest in and demand for the new model.

The Authorisation Board took office once the legislation was passed, replacing the Establishment Board which acted in an advisory capacity. It swiftly considered applications and made approval decisions, so that contracting could take place in October and November. In term 1 2025, seven new charter schools opened in Northland, Auckland and Christchurch. The eighth new charter school opened in July 2025.

With the first tranche of charter schools open and operating, the Agency has been sharply focused on growing the charter school network through delivering further new schools and supporting the conversion of state and state integrated schools. It has continued to move at pace, opening the next round of applications in February 2025, just weeks after the first charter schools opened. That application round resulted in 52 applicants. Since then, there have been continuing opportunities each term for state and state integrated schools to submit expressions of interest, depending on when they want to convert.

To support this goal, the Agency has fostered an active outreach and engagement programme to provide information (including to those who may be interested in applying) and strengthen sector relationships. This approach has helped to dispel some of the myths around the charter school model through providing clear and timely information. The Agency also administered funding which ensured prospective sponsors could access independent, external support and advice for developing their applications, and to assist sponsors during their establishment phase, if approved and contracted.

This year, the Agency has also focused on building strong foundations for monitoring charter school performance, identifying performance risks and informing interventions. This includes developing our ability to collect data and evidence so that we can report on what is achieved with contracts, recruiting performance

monitors, and building the tools and methodology to support the Authorisation Board in overseeing school performance. This has helped the Authorisation Board to determine whether schools are meeting their expectations under the performance management framework by regularly reporting on performance data, such as attendance or achievement information.

Unlike state schools, charter schools have contracted performance outcomes. They include set targets and minimum performance thresholds for achievement and attendance, based on the school's equity index which estimates the extent to which young people face socio-economic barriers to progressing and achieving positive outcomes in education.

Early information reported to the Authorisation Board shows charter schools are taking deliberate steps to drive performance and lift student achievement and attendance. There are 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.

We know from examples like these that charter schools immediately began to make a difference in the lives of the students who attend them. This annual report will begin to tell that story. I look forward to seeing real progress as the model embeds, and baseline data on attendance and achievement outcomes from the schools' first year of operation is available from 2026.



**Jane Lee**

Chief Executive

Charter School Agency | Te Tari Kura Hourua

## PART ONE

# Our purpose

## *Tō mātou take*

The Charter School Agency is a departmental agency established on 1 July 2024 to implement and operate the charter school model.

Its role includes negotiating and managing contracts and delivering funding. The Agency is hosted by the Ministry of Education and accountable to the Associate Minister for Education, Hon. David Seymour.

The Agency is responsible for engaging with stakeholders, including those who may be interested in applying to be charter schools. It also monitors and reports on charter school performance.

The Agency supports the Authorisation Board, which approves sponsors for new and converting charter schools, oversees school performance, and decides on interventions with schools.

The Agency's core functions and responsibilities include:

- being the secretariat for the Authorisation Board
- contracting with school sponsors and managing the contracts
- monitoring and reporting on what has been achieved with contracts
- providing advice to the Authorisation Board on interventions with schools
- advising Ministers on matters related to the operation of charter schools
- working with other statutory bodies.



### **Our Vision** *Tā Mātou Wawata*

Every child has the opportunity to learn, grow and succeed.

*Educational achievement contributes to personal, collective and national success.*



### **Our Mission** *Tā Mātou Whāinga*

To lift student achievement, strengthen and diversify our education system.

*Charter schools | kura hourua offer high quality education with diverse choices for students and families, greater flexibility for educators, and increased accountability.*



### **Our Way** *Tō Mātou Ara*

With the child at the heart of what we do, we achieve **better outcomes together.**

#### **Better**

*We're focused on raising educational achievement for students in Aotearoa New Zealand.*

#### **Outcomes**

*We own the outcome with high accountability and transparency, to foster trust and confidence.*

#### **Together**

*We commit to working with each other, across the charter school network, and the wider system.*



# Our strategic framework

*Tā mātou anga rautaki*

*Our work contributes to education sector and system priorities*

## OUR VISION

*Every child has the opportunity to learn, grow and succeed*

## The outcome we seek

## Improved educational outcomes

## OUR MISSION

*To lift student achievement, strengthen and diversify our education system*

### Strategic intentions: What we want to achieve

Increased student attendance

Improved student achievement

System stewardship

### Our impacts: The difference we make through the charter school model

Increased flexibility for educators

More diverse choices for students and families

Increased accountability and transparency

Greater innovation and system performance

### Our strategic priorities: How we will deliver results

Support effective and robust authorisation

Grow the charter school network to offer choice and flexibility

Drive accountability and charter school performance

Replicate success and innovation across the system

#### Enabled by:

Good data and evidence

Strong sector relationships and engagement

Fit for purpose, resilient and sustainable agency

### Our outputs: What we do and our core functions

*Indicators for success (service performance measures)*

#### Board and Ministerial Servicing

- Ministerial satisfaction survey.
- The quality of the Agency's advice.
- Authorisation Board satisfaction survey.

#### Applications and contracting

- Number of charter school contracts signed.
- Funding processed and sponsors paid per contractual terms.
- Authorisation Board satisfaction survey.

#### Performance and monitoring

- Percentage of charter schools operating that met their minimum performance threshold.
- Charter schools showing an improvement in attendance and achievement from baseline (2025 school year).
- Authorisation Board satisfaction survey.

## PART ONE

# Year in review

*He arotake ki te tau i pahure*



Seven schools **opened in terms 1 and 2,**  
and an eighth school **opened in July 2025.**

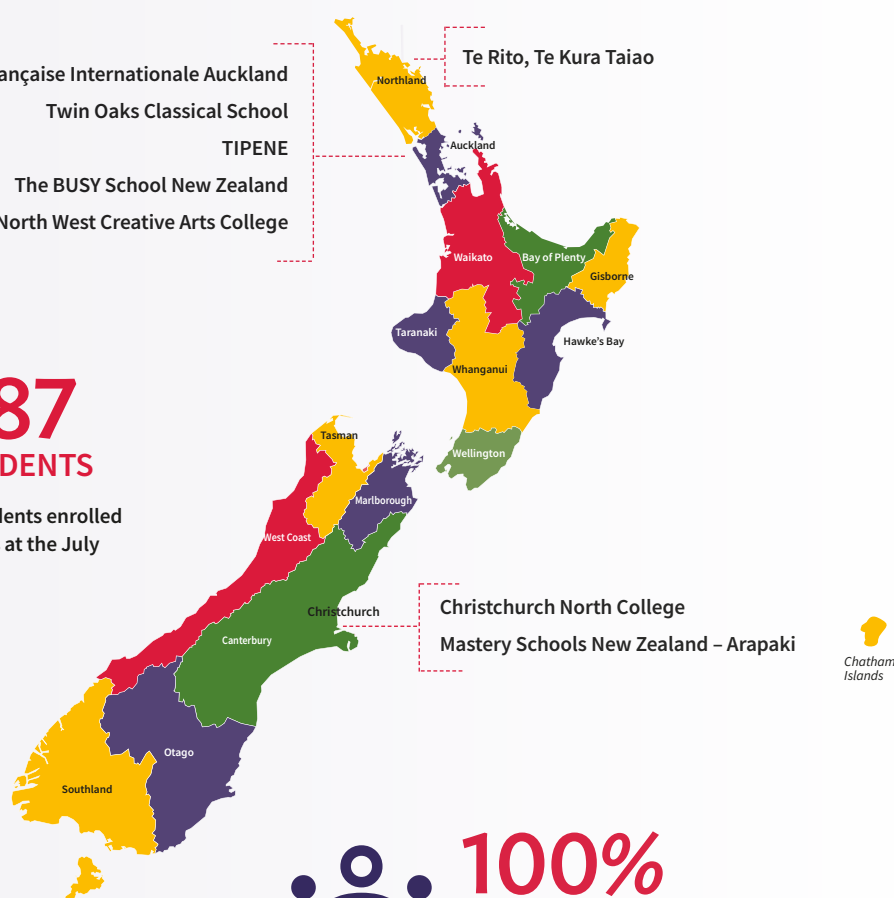
École Française Internationale Auckland  
Twin Oaks Classical School  
TIPENE  
The BUSY School New Zealand  
North West Creative Arts College

Te Rito, Te Kura Taiao



**287**  
STUDENTS

Total number of students enrolled  
in charter schools as at the July  
roll return.



**100%**  
SATISFACTION

Satisfaction of the Authorisation Board Chair on the secretariat support and general advice provided by the Charter School Agency.

Satisfaction of the Authorisation Board Chair on sponsor application and approval process by the Charter School Agency.

Satisfaction of the Authorisation Board Chair on the quality of performance monitoring insights provided by the Charter School Agency.

# Progress towards our strategic intentions

*Te kokenga ki ā mātou takune rautaki*

As part of the wider sector, the Agency contributes to an education system that strives to deliver equitable and excellent outcomes.

Educational success contributes to personal, collective and national success. Every child deserves the opportunity to succeed, achieve to the best of their ability and gain qualifications that will support them into further study, training and employment.

Charter schools are one way in which the Government is aiming to raise overall educational achievement. They are an alternative way of delivering education to meet the needs and preferences of students and families. These schools have greater flexibility to innovate, including in the design of the structure, governance and curriculum. In exchange for greater flexibility, they are subject to increased oversight and accountability through the performance management framework.

The performance management framework sets out clearly defined performance outcomes, measures and targets, as well as the methods used to track these. It is used to hold sponsors to account and provide the Government and the community with assurances that charter schools are delivering quality education. The overall outcomes to be achieved by charter schools are contained in sponsor contracts.

## Charter school testimonies

### The BUSY School New Zealand

The BUSY School New Zealand is a co-educational secondary charter school that caters for Years 11-12 students. It will add Year 13 students in 2026.

The school is situated in central Auckland, and students travel considerable distances from across the city each day to attend, often using several modes of public transport.

The school is committed to provide a supportive environment for at-risk and disengaged students to gain an education that prepares them for employment. Students who attend The BUSY School take advantage of the opportunities that the school offers to further their education and gain useful vocational qualifications.

Students complete an individualised educational programme and learn skills for life with a focus on vocational and employment opportunities. Re-engaging students with their education and obtaining employment is the priority.

Students focus on three core NCEA subjects: English, Mathematics and Statistics, and vocational pathways. They also complete a range of electives / courses, gaining practical skills and industry certifications relevant to the student's individual learning pathway. These electives may include on-campus training, work placements, and Trades Academy collaborations.

#### Student A:

“ A positive experience that I have had at this school would be the last day of term 1, receiving a certificate for being at the school for a term. I haven't received a certificate since primary school. It was a massive win for me. I felt seen and heard for putting in effort to get my life back on track. Honestly every day at The BUSY School is a positive experience for me. I feel happy to go to school, and excited to see where the day takes me. That is one of the biggest wins from attending this school. ”

## PART ONE

## We contribute to overall education system outcomes...

### Increased student attendance

— ✓ The Government has a target for increased student attendance, with 80 percent attending school regularly (more than 90 percent of every term) over time. Charter schools have the same standardised attendance target set in their individual contracts, but minimum performance thresholds are adjusted for each school's Equity Index (EQI) band that estimates the extent to which students face social-economic barriers to learning.

This ensures expectations are both ambitious and contextually appropriate. For example, schools in EQI bands 6–7 begin with a minimum threshold for regular attendance of 35 percent, while those in bands 1–2 start at 60 percent, with all schools expected to progress toward the Government's standardised target of 80 percent regular attendance over time.

Because charter schools offer diverse options, students can learn in ways that most closely meet their needs. They can play a role in addressing the needs of students who are struggling in the current system, including those who are disengaged or underachieving, and those whose interests and talents can be accelerated through innovative approaches to learning, such as art. Others offer approaches that are aligned with students' culture, for example.

Regular school attendance is a foundational driver of academic success. In response to declining national attendance rates, the Agency adopted an evidence-based approach to support the Authorisation Board in opening schools that specifically cater to students with historically low attendance.

The Agency provided advice to the Authorisation Board on applicants that demonstrated strong capability to achieve:

- a deep understanding of attendance challenges in their communities
- innovative strategies to re-engage students
- strong leadership and governance capability.

### Christchurch North College

Christchurch North College caters for students in year 7–11. The sponsor is a Trust Board set up by two local intermediate and two local secondary schools.



The college was established to provide a fresh start for students in the north of Christchurch who have found traditional education challenging. The school is smaller than traditional colleges and offers individual learning programmes and small classes to meet the individual needs of every student.

There is an emphasis on personal well-being, academic growth, and life skills. The learning approach offers a mix of hands-on learning, technology integration, and practical experiences.

The school focus is on re-engagement, holistic development, and fostering a community where every student feels they belong. The school provides an inclusive community that celebrates individual strengths, supporting students to achieve in unique and meaningful ways.

The school aims to address every practical barrier to learning. It provides transport, kai, uniforms, laptops and a highly relational environment with low sensory settings. There is regular liaison with families and whānau by the school pastoral team and the school collaborates with health and social agencies to remove barriers to attendance.

The school teaches from the New Zealand Curriculum and offers NCEA. Each student has an individual learning plan. Individual learning plans are developed according to student needs with a focus on achieving appropriate levels of literacy.

#### Student:

“ Hello, I'm here to talk about how amazing Christchurch North College is and why it's so great compared to the two other schools I've been to.

For the learning side of things its perfect it's never too hard or too easy its always at the perfect level for everyone. It's not confusing and if it is the teachers explain it well so that we can do it. The goals are completable and reasonable.

The school setting is perfect as well with kids work all over the walls. The amount of kids in a class is usually minimal which is amazing. ”

Charter schools offer flexibility in curriculum delivery, staffing, and timetabling – tools and resources that can be used to remove barriers to attendance. Early reporting from newly opened charter schools indicates a positive shift in attendance patterns, validating the Agency and Authorisation Board's strategic focus and reinforcing the value of tailored educational environments.

## Improved student achievement



The Government also has a target to see more students at expected curriculum levels. Charter schools are expected to improve their students' academic progress and achievement over time, equipping students with the qualifications and skills needed for life and work. They have greater flexibility to experiment with innovative approaches to education and tailor education to the specific needs of their students.

Sponsors are contractually accountable for meeting student achievement targets, which in years 3 to 10 covers attainment in reading, writing and mathematics. For secondary students in years 11 and above, this covers qualification attainment. Standardised achievement targets are set for all charter schools, but minimum performance thresholds are adjusted according to each school's Equity Index band that estimates the extent to which students face socio-economic barriers.

This sets expectations that are both aspirational yet grounded in the reality of each school's context. For example, schools in EQI bands 6–7 begin with a minimum threshold of 30 percent for reading, while those in bands 1–2 start at 70 percent. All schools are expected to progress toward the Government's standardised target of 80 percent of students achieving at or above the expected curriculum level over time.

The Agency assessed applicants' proposals for alternative teaching and learning approaches, including:

- a culturally responsive curriculum
- vocational pathways
- flexible timetables
- structured teaching models.

## North West College

North West College is a year 7-9 coeducational secondary charter school, that will grow each year by adding successive learning levels.



North West College attracts students who are curious learners and interested in expressing themselves through the creative and visual arts.

Students at North West College are immersed in a learning environment that celebrates creativity, expression and learning through activity and action. This is achieved through a significant component of student learning being in the context of the New Zealand Arts curriculum.

Learning programmes are personalised and provide a foundation in core academic subjects and with an equal focus on growing and learning in an environment that values creativity, sharing and presentation.

The arts programme provides a rich array of experiences that include digital design, music innovation, performing and visual arts. Students work through the stages of planning and design, constructing/forming, refining, and then presentation of the outcome.

Creative arts learning contexts have included production of jewellery, creating digital websites, animation, photography, painting, dance and drama performance and mosaic art.

### Year 9 student:

“ In my previous classes they were big and we didn't learn much. Because in term one the teacher would teach the ones with talent in that subject it was hard to learn and that didn't help with my dysgraphia and dyspraxia. When I came to North West College I was welcomed into the school. The classes were so much smaller and it made it easier to learn. I could focus more and I felt like a student, not a nobody with no talent. The teachers helped a lot and they were nice and they'd like to teach us their subjects that they were very passionate about and they knew each and every one of us. The creative arts are amazing. At the moment I am doing treasure chest making which is fantastic and different. I would tell you more but I can't describe how amazing it is to be there I will run out of words to describe it. But it's great, in short. ”

### Parent:

“ We could not be happier with the progress my child is making and the welcome he has received at North West College. After the experience he got at his previous high school, we are seeing good progress in all subjects in the two terms he had attended. The small class size and the focus all teachers are giving him and working with his dyspraxia and dysgraphia is amazing. ”

## PART ONE

- Applicants who demonstrated a clear understanding of their target student population's academic challenges and aspirations were prioritised. As a result, charter schools are now offering learning environments that foster engagement and achievement for diverse learners.

## System stewardship



The Agency plays a critical role in strengthening and diversifying New Zealand's education system. In 2024/25, the Agency established robust partnerships and formal agreements with key education sector bodies, including:

- **Ministry of Education.** With a signed Departmental Agency Agreement in place, the Ministry of Education and the Agency have formed a solid understanding of the way they work together, including corporate services and operational working arrangements at national and regional levels.
- **Education Review Office.** A Memorandum of Understanding embeds a constructive working arrangement to deliver the outcomes required of both agencies.

These partnerships ensure that the charter school model is implemented with integrity, transparency, and a shared commitment to improving outcomes for all students.

The Agency has actively contributed to policy discussions with the Ministry of Education, offering insights grounded in data and operational experience. This engagement ensures that charter schools are not only responsive to student needs but also aligned with broader system goals.

The Agency continues to support the Authorisation Board by:

- providing strategic advice on school applications
- monitoring school performance against agreed thresholds for all performance measures, including attendance and achievement
- advising on progress towards meeting conditions and implementing actions where necessary or requested.

## TIPENE



TIPENE is a full-time secondary seven day boarding school focussed on Māori and Pacific boys who want to learn in a te ao Māori environment. The school caters for year 9 – 11 students and will gradually phase in additional year groups annually.

The school is in Bombay, south Auckland, on the site of the former St Stephen's School. It is a collaboration between the St Stephen's Old Boys Association, the St Stephen's Queen Victoria Schools' Trust Board and Te Tuara Trust.

The school offers targeted education for boys through personalised learning and strong cultural foundations.

TIPENE delivers the New Zealand curriculum and NCEA. Connection to taiao and iwi connect students to their tribal affiliations, instilling commitment to iwi/hapu through service and contribution. External partnerships enhance the curriculum equipping students with a broad skill set for future successes.

### Parent A:

“ Since starting at TIPENE, we've noticed some wonderful growth in him. His self-esteem and self-awareness have really improved, and he seems more confident in himself and his abilities. At home, we've also noticed he's becoming tidier and more responsible with his belongings, which is great to see. Most importantly, he's more engaged, not just with his learning, but in general conversations and interactions with us. Thank you to you and the team for the positive influence and care you're showing. We're really excited to see him continue to grow in this environment. ”

### Parent B:

“ It is clear that the school's curriculum, diverse teaching methods, and supportive environment are fostering his engagement, motivation, and determination. He is more focused on his goals, eager to learn, and appreciative of the experiences and opportunities provided to him. We have also noticed a positive flow-on effect at home, where the structure and discipline instilled at school have reinforced his sense of responsibility and independence. His confidence has grown, as has his ability to engage in meaningful conversations, make thoughtful decisions, and navigate challenges with maturity. Above all, he is thriving in a learning culture that not only educates but also uplifts and empowers him. We are truly grateful for the dedication and commitment of the staff at TIPENE charter school and look forward to seeing him continue to grow into a fine young man. ”



## Our strategic priorities

✕➔ As the charter school model is implemented, the number of charter schools will grow. The Agency expects to contract with a mix of new schools and converting charter schools, depending on demand and suitability.

As the Agency moves from establishment to business as usual, it will be further developing and refining its strategic priorities. These include sector and system-facing priorities, as well as enablers and organisational capability.

## Support effective and robust authorisation

👤 As a newly established organisation, the Agency has focused its initial efforts on building the systems, processes, and relationships necessary to deliver on its mandate. A key priority during the establishment phase has been to support effective and robust authorisation through its role as Authorisation Board secretariat. This supports and enables the Authorisation Board in its statutory functions - approving sponsors, overseeing school performance and determining interventions.

In 2024/25, the Agency supported **16 Authorisation Board meetings**, establishing a robust secretariat function.

The Agency supports the Authorisation Board as secretariat by maintaining governance frameworks, coordinating meetings and documentation, facilitating communication with stakeholders, liaising with ministerial offices, maintaining accurate records and reporting systems and ensuring the Authorisation Board meets its legislative responsibilities while upholding transparency, accountability and strategic oversight.

The Authorisation Board's operating procedures are clearly defined and actively maintained, including:

- structured minute-taking protocols
- conflict of interest management
- transparent decision documentation.

## Mastery Schools New Zealand – Arapaki



Mastery Schools New Zealand – Arapaki is an academic intervention school in Christchurch for students in years 1-8.

The school was established to address the learning needs of students who have disengaged from school or are at risk of disengaging from their learning. It is designed to accelerate academic progress for students who are behind in their learning.

The curriculum focuses on delivering high-quality, alternative education tailored to students with various learning difficulties, such as dyslexia, dyscalculia, and dysgraphia.

The Mastery School NZ - Arapaki approach places an emphasis on the science of how students learn. Learning is sequenced using explicit and direct instruction.

Learning involves students spending 85 percent of their time reviewing and practising material they had learnt previously, and the remaining 15 percent of the time on new material. Complex tasks are broken down into smaller manageable steps. This is known as direct instruction. Testing occurs every 5-10 days to check students' progress.

The teaching method used at Mastery School NZ - Arapaki also provides students with multiple opportunities to respond. Lessons are paced to meet the needs of the students. This increases their confidence, all of which leads to improved student achievement.

### Year 4 student:

“ School was good before, but some classes I wasn't very good at. Now school work is much easier for me. Now I feel great about learning, I am doing better and better. One week after I started, I felt like everything was feeling better and I felt good about that. My teachers are great. I am proud of my work and how many friends I have made. I am much better at maths, and my writing and reading is getting better too. Everything is quieter and easy for me. ”

### Year 4 student parent:

“ My child was not reading or writing at his age level and showed hardly any improvement in the first few years of starting school. He found school very hard and stressful. The main challenge for him was he could not keep up with the work, and the class kept moving forward without him. We were doing everything to help him at home, extra reading, tutoring etc and he was trying so hard to do everything he was told at school, but the way they were teaching him was not working. The environment was very loud (open plan), and he came home often and said I can't concentrate as there is too much noise. My child is gaining academic skills and feeling more able to try new material. He thrives at the pace at Mastery, and the repetition helps cement his learning. He has more confidence in his work and academic ability now, he was starting to feel defeated and down at his old school. He seems happier and lighter. The Mastery team have a depth of understanding about neurodiverse children's needs, and the way of learning supports him really well. He is one of the smartest people I know, it is such a relief for him to be shown better ways of learning so he can finally show how smart and capable he really is. ”

## PART ONE

A forward agenda and meeting schedule has been agreed up to 12 months in advance, with monthly meetings scheduled for the first Tuesday of each month and provisions for urgent out-of-cycle decisions. A formalised out-of-cycle decision-making process using structured documentation and round-robin email approvals has been adopted to maintain governance integrity and responsiveness.

## Meeting Ministerial expectations

The Agency also provided advice to the Minister on strengthening the authorisation process by ensuring clarity of Ministerial expectations, which were formally communicated through the Letter of Expectations to the Authorisation Board Chair. This letter outlined the Minister's expectations for how the Authorisation Board will contribute to the Government's priorities to build, strengthen, and diversify New Zealand's education system. It also set out how the Board should work collaboratively with the Agency to achieve shared goals in the year ahead.

**“The Agency goes out of its way to provide relevant information and support that enables the Board to identify and assess risks or issues that could impact on application decisions.**

**When I have visited charter schools, staff in those institutions have lauded the Agency's efficiency, level of professional understanding and responsiveness.**

**The Agency is committed to the implementation and success of the charter school model and has forged a strong and positive working relationship with the Authorisation Board.”**

**– Justine Mahon, Chair  
Charter School Authorisation Board**

## Te Rito, Te Kura Taiao

Te Rito, Te Kura Taiao is a Year 1 – 8 Māori immersion school with plans to increase to year 13 over time. The school is in Cable Bay, Mangōnui, Northland.



The school has a focus on learning in a te ao Māori environment with an emphasis on the environment (Taiao).

It provides a pathway for students from Te Rito's early childhood education centres in the area.

### Parents:

**“My tamaiti are thriving, love hearing and seeing their new learnings. Kaitiakitanga, manaakitanga, Kaupapa Māori, Ao Māori. His confidence in speaking is progressing and he's coming out of his shy shell. His speech is improving and I can see a huge change.**

**Every day both my tamariki come home happy. They absolutely love their kura and kaiako. They tell me all about what they've learnt that day with so much passion and excitement. That itself is an everyday highlight for me since they've both started kura this year.”**

## École Française Internationale Auckland

École Française Internationale Auckland (Auckland French International School) is a bilingual primary school catering for year 1-4 students in Remuera, Auckland.



It is an international school offering the French national curriculum with instruction in both French and English.

This is the only school in New Zealand that offers the French curriculum.

The school welcomes all families, whether they speak French or not.

### Parent:

**“We made the switch mainly because it was an incredible opportunity to access a bilingual school with full immersion. That kind of genuine bilingual education is quite rare in New Zealand – especially at the cost of a public school – so it was something we wouldn't have been able to access otherwise. We felt very lucky to come across the Auckland French International School.**

**We really value the idea of having different types of schools available, so that children with different learning styles and needs can find the right environment for them. Not every learner thrives in the same setting, and we think schools should reflect that diversity. For our family, this model has provided an opportunity we wouldn't have otherwise had, and we're really grateful for that.”**



## Board capability and governance

The Agency has supported the Board to deliver its statutory functions with integrity and transparency, providing free and frank advice to the Minister, and developing its inaugural Annual Report.

In the first year, the Agency has particularly focused on supporting effective and robust authorisation through:

- providing quality secretariat support and general advice
- the application and sponsor approval process, keeping the Authorisation Board informed and providing access to relevant information and support that enables the Board to identify and assess risks or issues, and support effective decision-making (see 'Grow the charter school network')
- quality of performance monitoring insights, including requests from the Authorisation Board for information on charter school performance, as well as building strong foundations for monitoring information that supports the Board in overseeing charter school performance, and deciding on interventions (see 'Drive performance and accountability').

A culture of continuous development has been embedded through:

- tailored induction programmes
- access to ongoing resources
- self-assessment practices.

## Grow the charter school network to offer choice and flexibility



The Agency is committed to expanding a diverse and high-quality network of charter schools that provide students and families with meaningful choice in education. In its establishment year, the Agency laid the groundwork for a system that enables innovation, responsiveness and equity in educational provision.

## Application process for new and converting schools

The Agency designed and implemented a competitive application process for new charter schools, aligned with government procurement principles and best practice.

The first phase of applications opened July 2024 and closed in October 2024 with all information transparently available via the Government Electronic Tender Service (GETS). This phase included both new and converting schools.

- 78 compliant applications were received.
- Four of these were converting schools.
- 35 applications were progressed to a second stage.
- 14 new sponsors were approved to contract and eight opened by July 2025.

A new round of applications opened in February 2025 and closed in May 2025, with all information transparently available via GETS.

- 52 new school applications were received.

## PART ONE

The Board went on to follow its process to consider financial implications and strategic fit within the broader charter school network as it made its decisions on selection. Audit New Zealand reviewed the process across both stages and found no issues with compliance or probity, stating:

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***“ Nothing has come to our attention to indicate that the process was not conducted in accordance with the Ministry’s policy, planning, and published documentation, applicable rules and good practice for public sector procurement, and probity principles.<sup>1</sup> ”***

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The application window for converting schools seeking to open in early 2026 ran from February to June 2025. Expressions of interest continue to be accepted throughout 2025 for applicants considering converting to a charter school later in 2026.

The Agency implemented a bespoke, staged process for converting schools, recognising the distinct needs of existing schools transitioning to charter status. This process has been refined following initial implementation in 2024.

From the 2024 application round, four sponsors submitted applications to convert.

- Two sponsors were approved to contract by the Authorisation Board in June 2025.
- The other two schools opted to pursue new school applications instead, pausing or withdrawing their conversion applications.
- In the 2025 application process, EOIs opened from February and each subsequent term. By 30 June 2025, six EOIs had been received. Two formal applications were submitted.

## Building a pipeline of diverse applications

Since August 2024, the Agency has actively cultivated a strong pipeline of applications from passionate individuals and organisations seeking to deliver better learning outcomes through innovative educational models. Outreach efforts have included engagement with:

- sector groups and forums
- existing state and state integrated schools
- peak bodies
- support partners.

The Agency received a wide range of applications, including faith-based, iwi-led, international and language-focused, learning support, online and distance learning, Pasifika, regional provision, sporting, and vocational models, from across regions such as Northland, Auckland, Waikato, Bay of Plenty, Hawke’s Bay, Manawātū-Whanganui, Wellington, Canterbury and Otago.

These efforts have resulted in around 130 applications in 2024/25 to open or convert schools, reflecting strong national interest in the charter school model, particularly for new schools.

## Delivering a balanced portfolio of schools

By July 2025, eight charter schools had opened, each with a different focus:

- Total immersion te reo Māori education for tamariki from local kōhanga reo.
- A bilingual French curriculum.
- Vocational pathways for students.

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<sup>1</sup> Audit NZ Report November 2024, <https://www.charterschools.govt.nz/corporate-documents/>

- Second-chance learning for previously disengaged students.
- Structured learning environments for neurodiverse students.
- Secondary boarding school for Māori and Pasifika boys who want to learn in a te ao Māori environment.
- A focus on students expressing themselves through the creative and visual arts.
- Classical curriculum which includes students learning from home two days a week.

This diversity reflects the Minister's expectations for a portfolio that complements and strengthens the public education system, offers genuine choice, and demonstrates potential for growth.

## Early challenges

A key establishment challenge was the first round of contract announcements were made later than expected, just weeks before the Christmas break. This limited opportunities for sponsors to recruit and enrol students, employ staff and prepare facilities. With key promotional and staffing windows missed, some schools struggled to meet initial roll numbers and secure essential resources before they opened in term 1, 2025.

These pressures were particularly acute for schools seeking specialist staff, where shortages already exist in the system. Despite these hurdles, sponsors and school leaders have shown strong commitment and adaptability, laying a promising foundation for growth and innovation in the years ahead.

## Roll growth

Rolls at charter schools have been growing steadily from 244 students in the March roll return, 279 in the June roll return and 287 students as of 1 July 2025.

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. Since then, the number of students has continued to grow, and the September roll return indicated further growth to 427 students attending charter schools.

## Nationwide engagement and interest

Interest in the charter school model has been widespread across regions, from schools of all sizes, notably:

- a quarter of the schools are state integrated, significantly higher than the national proportion
- two-thirds are co-educational
- composite (years 1–15) and secondary (years 9–15) schools have shown particular interest.

This broad interest indicates the relevance and appeal of the charter school model across a diverse range of schools.

## Independent support for sponsors

To ensure the successful establishment of the first tranche of charter schools, the Agency contracted with support partners who are providers with expertise in education provision and management. These providers offer independent, Crown-funded support at three key stages:

1. Application development. Support is available upon receipt of a genuine expression of interest.
2. Establishment planning. Once a contract is signed, sponsors receive guidance to plan and set up their school.
3. Post-opening support. Assistance is provided to sponsors to finalise establishment and transition to a fully operating charter school, up to the first six months of their operation.

**PART ONE**

## Drive accountability and charter school performance



The Agency is committed to the accountability model inherent in the charter school model, providing quality monitoring information, reporting and advice to the Authorisation Board which oversees performance and decides on interventions. This model ensures charter schools deliver high-quality education through a framework of clear expectations, effective performance monitoring and intervention. In its establishment year, the Agency has developed and implemented robust systems to uphold accountability and support continuous improvement across the charter school network.

### Implementing the performance management framework

Charter schools operate with greater flexibility in governance, curriculum, and structure. In exchange, they are held to higher standards of oversight through the performance management framework (see page 21). This framework sets out:

- defined performance outcomes, minimum performance thresholds, and targets
- monitoring methods and reporting requirements
- tailored expectations based on each school's Equity Index.

The EQI, calculated by the Ministry of Education, reflects the socio-economic barriers faced by students. Minimum performance threshold for attendance and achievement are adjusted accordingly. For example, a school with “more” barriers may have a regular attendance target of 35 percent, while a school with “fewer” barriers may be expected to reach 60 percent.

The Agency has reflected these requirements through contracts with each sponsor, providing the foundation for the performance monitoring approach, including regular reporting on what has been achieved through contracts.

## Performance management framework

Outcomes	Measures	Targets	Method	Reporting
<b>Attendance</b>	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
<b>Achievement</b>	<b>Primary: Years 3 to 10</b> <ul style="list-style-type: none"> <li>• Reading or pānui</li> <li>• Writing or tuhituhi</li> <li>• Mathematics or pāngarau</li> </ul>	80% of learners are at or above the expected curriculum level	Assessment tools such as: <ul style="list-style-type: none"> <li>• e-asTTle (MoE)</li> <li>• Progressive Achievement Tests (PATs - NZCER)</li> <li>• Te Waharoa Ararau (MoE)</li> </ul>	Annual self-audit due 30 September 2025 and an end of year report due 15 February 2026
	<b>Secondary: years 11 and above</b> <ul style="list-style-type: none"> <li>• Qualification attainment</li> </ul>	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
<b>Financial Performance</b>	<b>Financial health</b> Key indicators include operating surplus, working capital ratio, debt/equity ratio, operating cash, enrolment variance.	<ul style="list-style-type: none"> <li>• Operating surplus: 2-5%</li> <li>• Working capital ratio: 2:1</li> <li>• Debt/equity ratio: 0.5:1</li> <li>• Operating cash: Positive cashflow forecast = actual</li> <li>• Enrolment variance: Contextual measure assessed in reports as either: Growing, Stable, or Decreasing.</li> </ul>	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
	<b>Financial probity</b> <ul style="list-style-type: none"> <li>• Discharge of all contractual obligations before using any profit</li> <li>• Notification when any source of anticipated funding (on which the ongoing viability of the sponsor or school(s) is dependent) will not be available</li> <li>• Notification of any failure to pay debt from borrowed money; or of any expectation they will fail to pay this debt in future</li> <li>• Related party disclosure</li> <li>• Sensitive expenditure policies in place</li> <li>• Expected use of funds and financial plans</li> </ul>			
<b>Standard minimum compliance (SMC)</b>	<ul style="list-style-type: none"> <li>• Employment of certificated teachers and LATs</li> <li>• Student enrolment requirements</li> <li>• School day, hours and term date requirements</li> <li>• Property</li> <li>• Reporting requirements</li> <li>• Insurance</li> <li>• Transport provision requirements (if applicable)</li> </ul>	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

## PART ONE

Intervention framework	<p>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.</p> <p><b>Interventions set in legislation and used by the Authorisation Board:</b></p> <ul style="list-style-type: none"> <li>• Require a sponsor to provide specific information or carry out a specific action</li> <li>• Require the Education Review Office to conduct a review of the school</li> <li>• Replacement of the sponsor</li> <li>• Termination of the contract.</li> </ul>	Performance monitoring	<p>The Charter School Agency and the Education Review Office have worked closely to develop a robust monitoring approach for charter schools. The Agency will be responsible for day-to-day monitoring of charter schools and will report as required to the Authorisation Board.</p> <p><b>The legislative framework for charter schools sets out that:</b></p> <ul style="list-style-type: none"> <li>• Sponsors will be held accountable to performance outcomes and that they will provide information on performance outcomes</li> <li>• contracts can specify what performance information is to be provided using specific tools or submission of data</li> <li>• performance measures and targets may be standardised across schools or a group of schools</li> <li>• charter schools must complete an annual self-audit, including a set of independently audited financial accounts.</li> </ul>
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## Comprehensive monitoring and reporting

The Agency has implemented a multi-layered reporting cycle to provide the Authorisation Board with timely, accurate insights into school performance. This includes:

- pre-opening establishment verification reports, incorporating Education Review Office findings and Agency readiness assessments
- weekly attendance and roll reports
- attendance reports each term
- six-monthly performance summaries across all schools
- quarterly roll returns
- annual audited financial accounts and forecasts
- annual compliance statements
- Education Review Office verification and review reports.

This approach ensures performance is tracked across key domains – student outcomes, financial health, and compliance, providing assurance to the Authorisation Board, Government and school communities.

## Promoting accountability

Monitoring is a key regulatory tool for maintaining public confidence in the charter school model. By focusing on the right indicators and applying consistent standards, the Authorisation Board ensures charter schools are held accountable for delivering quality education. The annual self-audit (due 30 September 2025) and end-of-year performance report (due February 2026) provide sponsors with opportunities to reflect on progress and demonstrate compliance.

## How schools are performing against the performance management framework

The focus of some charter schools is to enrol students who have previously disengaged from school, or for other reasons find the school setting challenging. This meant for several schools the focus in the early months was settling students in, building relationships, and establishing improved attendance and academic habits. At the same time, rolls were growing, staff appointments continued, and new systems and processes were being implemented. These circumstances created challenges for sponsors, such as navigating various student assessment tools, integrating new students into the growing school culture and accessing support for student attendance such as school transport. The sponsors used the flexibility available to them through the charter school model to implement innovative solutions to improving student attendance and achievement, such as on-site social services, provision of uniforms and kai and a school holiday programme. As a result, charter schools have been using their autonomy to address barriers to learning and engagement.

### Attendance

The charter school performance measure for attendance is “regular attendance”. Regular attendance is a measure of how many students are attending school for more than 90 percent of half-days in a term. This is how the regular attendance rate is calculated.

This is a baseline year for the first tranche of new charter schools that opened in term 1, 2025 and these schools need time to formally report attendance. For schools this means the outcomes at the end of the school year will form their baseline for this outcome measure. Since this reporting period falls outside of the Agency’s annual report 2024/25, progress on this measure can only be reported in 2025/26.

### Achievement

Student achievement is a cornerstone of the Performance Management Framework. In 2024/25, the Agency established clear expectations for academic outcomes through this framework and implemented a structured reporting cycle to monitor these contracted outcomes.

Each charter school with students in years 3 to 10 is expected to have 80 percent of students achieving at, or above, their curriculum level in reading, writing, and mathematics. These expectations are also measured by a contracted minimum threshold, tailored to each school’s Equity Index.

**Schools are required to use nationally recognised assessment tools, such as:**

- e-asTTle
- progressive achievement tests (PAT)
- Te Waharoa Ararau.

For schools with students in years 11 to 13, the performance measure is that 95 percent of school leavers attain NCEA Level 2, or alternative approved equivalent qualification such as Cambridge Assessment International Examinations or International Baccalaureate.

**Achievement data is reported through:**

- a self-audit report submitted in September
- an end-of-year report submitted in February.

2025 is a baseline year for the first tranche of new charter schools that opened in term 1, 2025 and these schools need time to formally report achievement. For these schools, this means that the outcomes at the end of the school year form the baseline. Since this reporting period falls outside of the Agency’s annual report 2024/25, progress on this measure can only be reported in 2025/26.

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## Standard minimum compliance

Charter schools are contracted to meet standard minimum compliance requirements across a range of operational and legislative areas. These standards are essential to safeguarding student wellbeing and ensuring the integrity of school operations.

### Areas for compliance monitoring are:

- teacher certification: Minimum 75 percent certified teachers, up to 25 percent of teachers with a limited authority to teach (LAT)
- student enrolment and attendance
- school day, hours, and term dates
- reporting and record-keeping
- insurance and transport (where applicable)
- property management (where applicable)
- child protection and student wellbeing.

### Compliance is verified through:

- annual self-attestation in the September self-audit report
- Education Review Office pre-opening checks, a check one year after opening, and thereafter three-yearly checks
- Agency monitoring of roll returns and attendance.

**In 2025, all eight charter schools that opened underwent Education Review Office pre-establishment checks. Three schools had non-compliance issues identified, including:**

- missing written authorisations for non-teaching staff using physical restraint
- incomplete Education Outside the Classroom policies
- outstanding police vetting for some staff.

All issues were promptly addressed by the sponsors to the satisfaction of ERO, demonstrating a strong commitment by sponsors to compliance and student safety.

## Financial compliance

The sponsor must report on the following key financial performance measures in each annual financial statement and mid-year financial statement: operating surplus, working capital ratio, debt/equity ratio, operating cash and enrolment variance.

### The standardised performance targets are:

- operating surplus: 2-5%
- working capital ratio: 2:1
- debt/equity ratio: 0.5:1
- operating cash: positive cashflow forecast
- enrolment variance: growing, stable or decreasing.

Financial compliance has not yet been assessed for schools that opened in term 1, 2025, as they have been operational for less than six months. This assessment will take place in the 2025/26 financial year.



Through rigorous monitoring, the Agency ensures charter schools uphold high standards and deliver quality education. These performance measures are integral to the Agency's broader strategy of driving accountability and supporting schools to succeed.

## Replicate success and innovation across the system



The Agency is committed to fostering innovation and ensuring that successful practices within the charter school network are shared and scaled across the wider education system. In its establishment year, the Agency focused on laying strong foundations and was tasked with implementing the charter school model so that the first tranche of schools was ready to open in term 1, 2025.

Within three to five years we should gain insights about improvements and innovations following the baseline year. Armed with good data and intelligence-based insights, we will aim to facilitate innovation and disseminate evidence-based practice across the system about what is working and what could be scaled. We expect this will be a future strategic focus following the initial two years of implementation.

## Our enablers



In its first year of operation, the Agency laid the groundwork. The successful delivery of its strategic priorities has been underpinned by three critical enablers:

- a commitment to good data and evidence
- strong sector relationships and engagement
- a fit for purpose, resilient and sustainable Agency.

## Good data and evidence

The Agency has worked with the Ministry of Education's data and insights group to build its data systems and processes so that timely, accurate and meaningful data insights can be used for performance monitoring.

At the end of the schools' establishment year, baseline data will be available, allowing the Agency to effectively track school performance and to ensure schools are reaching their contracted achievement and attendance targets.

## Strong sector relationships and engagement

Equally important has been the Agency's deliberate and strategic approach to engagement. We aim to create purposeful connections and partnerships to increase our impact.

Recognising that meaningful change requires collaboration, the Agency has worked to build purposeful connections across the education sector. It has drawn on existing relationships and trusted voices to reach sponsors, schools, and communities. Through these efforts, the Agency has deepened its partnerships with iwi, influential principals, peak bodies and individuals with close associations with particular schools. In 2024/25, the Chief Executive established the Principals' Advisory Group to provide independent advice and critical insight on the charter school model. These relationships have not only expanded the reach of the charter school model but have also helped to reimagine education in ways that reflect the aspirations of local communities.

The Agency's relationship with the Ministry of Education has been particularly vital. With support across key functions - Procurement, People Services, Legal, Policy, Government, Executive and Ministerial Services, Network, Finance, Data and Insights, and School Funding, the Agency has benefited from a collaborative and responsive partnership. This relationship is formalised through a Departmental Agency Agreement, which sets

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out the shared commitment to delivering quality education through the charter school model.

The Education Review Office has a legislative and functional role in support of the charter school model. A constructive working relationship with the Education Review Office has been established, with timely information sharing leading to the outcomes required.

To mature the operation of the model, the Agency will continue to mature its relationships, information flows and processes between the Agency, Authorisation Board and Minister, and work effectively with other education sector agencies.

### **Fit for purpose, resilient and sustainable Agency**

A key focus has been on building a fit for purpose, resilient and sustainable Agency, moving from establishment to business as usual. The Agency's goal is to have an effective operating model with appropriate capability, systems and processes to deliver results.

The Agency had a very short window in which to establish both the Agency and Authorisation Board, run the first application round and establish the first tranche of charter schools, so they could open in February 2025. This required the Agency to get people on board quickly, with a mix of seconded, fixed-term staff and contractors to carry out its establishment activities and begin the ambitious programme of work required.

The Agency's approach has been flexible and adaptive, responding to the needs of stakeholders and the demands of a fast-moving environment. A high-level operating model supported clarity of organisational functions and roles and responsibilities. The structure has been designed to be agile, with systems and processes that support the charter school pipeline and sponsor journey at each stage of the process, moving from outreach to applications and contracting and performance monitoring. This was supported by effective internal governance, Board and Ministerial servicing and dedicated enabling support spanning communication, finance, legal, people and business administration.

As the Agency moves beyond its establishment phase, these enablers will continue to support the delivery of its mission. With strong foundations in place, the Agency is well-positioned to make progress on its strategic priorities and contribute to a more innovative, accountable, and equitable education system.

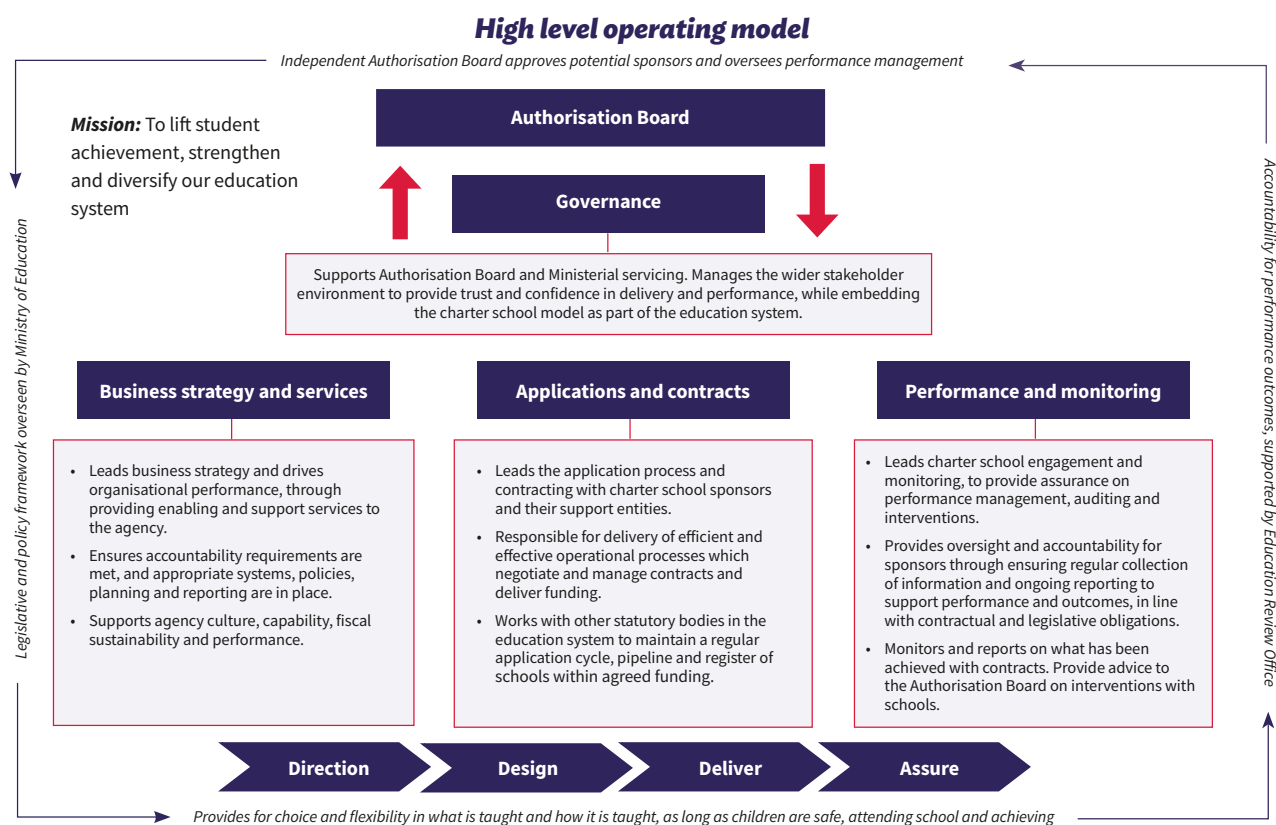
# Assessment of operations

## *He aromatawai i ngā mahinga*

The Agency's purpose and functions are described on page 8. In order to effectively meet these responsibilities, the Agency has organised its operations into four main functional areas:

- **Governance:** Managing the wider stakeholder environment, including being the secretariat to the Authorisation Board and Ministerial servicing.
- **Applications and contracts:** Leading the application process and contracting with charter school sponsors and their support partners.
- **Performance and monitoring:** Providing oversight and accountability for sponsors, through monitoring and reporting.
- **Business strategy and services:** Driving organisational performance, providing enabling and support services to the Agency.

These can be summarised through the Agency's high-level operating model below:



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## Governance

The Agency's work programme and achievements for this year can be summarised as:

- providing advice and reporting progress to the Establishment Board, Authorisation Board and Associate Minister of Education on the implementation and operation of the charter school model
- effective secretariat support and servicing of the Authorisation Board. This supported the Board to fulfil its responsibilities to approve sponsors and oversee effective performance management, including quality information, advice, induction and development of documentation
- a programme of sector engagement to create purposeful connections and partnerships with critical stakeholders
- providing input and completing operational policy design and development to implement policy decisions
- ensuring foundational systems and processes for internal governance, information flows, responding to correspondence, official information requests, parliamentary questions, communication and media management
- establishing a Principals Advisory Group to provide robust advice and challenge to the Chief Executive.

These are reflected in our year-end performance information.

- In 2024/25 the satisfaction of the Authorisation Board chair on the secretariat support and general advice provided by the Agency is 5/5.
- In 2024/25 the satisfaction of the portfolio Minister with the advice and services of the Agency is 3.33/5. The Agency was acknowledged to be working hard on a very rapid start up job.
- In 2024/25 all our advice papers reviewed by an external reviewer scored a 3 or more and met the Policy Quality Framework standard.

Please refer to the "support effective and robust authorisation" section for further information on what has been achieved in this portfolio.

## Applications and contracts

The Agency's work programme and achievements for this year can be summarised as:

- designing and managing the application process. This involved conducting two rounds of applications, receiving and processing over 130 applications from sponsors for proposed new schools, and providing comprehensive advice to the Authorisation Board
- providing assurance around the application process. The Agency received positive Audit NZ feedback on its independent observations of the process. The Agency reviewed and made improvements to the 2025 application round, such as the converting school application experience
- developing the standard contract and negotiating the first wave of approved sponsor contracts to operate charter schools. This enabled the first wave of charter schools to open in term 1, 2025
- delivering funding to sponsors including one-off establishment funding and operating entitlement funding. The Agency was responsible for applying the funding policy and utilising official roll return information to model, calculate and process payments
- establishing an outreach programme to provide quality and tailored information to interested stakeholders about the charter school model.

**These are reflected in the year-end performance information including:**

- nine charter school sponsor contracts signed building a diverse network of charter schools which offer high-quality education
- 100 percent of funding processed with sponsors paid per their contractual terms
- In 2024/25 the satisfaction of the Authorisation Board Chair on sponsor application and approval process by Agency is 5/5.

## Performance and monitoring

**The Agency's work programme and achievements for this year can be summarised as:**

- putting in place data sharing agreements to collect monitoring data from a range of sources
- implementing the performance management framework. This included developing the methodology to support the Authorisation Board to oversee performance, including identifying performance risks and informing interventions
- providing regular monitoring information to the Authorisation Board. This provided emerging information and insights towards the schools' contracted baseline (year one) performance outcomes.

**These are reflected in the year-end performance information including:**

- In 2024/25 the satisfaction of the Authorisation Board Chair on the quality of performance monitoring insights provided by the Agency is 5/5.

Please refer to the "drive accountability and charter school performance" section for further information on what has been achieved in this portfolio.

## Business strategy and services

**The Agency's work programme and achievements for this year can be summarised as:**

- developing the vision, mission and values of the Agency, supported by medium-term strategic intentions and an effective operating model
- recruiting a skilled and capable workforce. This included an initial temporary workforce, defining capability requirements and building a workforce plan for a sustainable ongoing structure
- setting up the appropriation structures, financial systems and processes to support responsible fiscal management and value for money in charter school operations
- developing a Departmental Agency Agreement with the Ministry of Education. This included delivery of corporate services and clarified operational working arrangements, along with dedicated enabling support spanning communication, finance, legal, people, and business administration.

**These are reflected in:**

- the Agency's 2025 Public Service Census | Te Taunaki results
- the Agency's financial performance, which includes finding departmental savings opportunities through operating efficiencies introduced by the Agency.

Please refer to the "organisational health and capability" section for further information on what has been achieved in this portfolio.

PART TWO

# Implementing the Government’s priorities

*Te whakatinana i ngā whakaarotau a te Kāwanatanga*

Through Budget 2024, funding was provided for the following major spending decision.

The Charter School Agency was established as a departmental agency on 1 July 2024 and was not part of the Budget 2024 initial baseline exercise. We have one major spending decision, and no further significant budget decisions.

**Major spending decision: Charter Schools | Kura Hourua**

**\$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**

2024/25	2025/26	2026/27	2027/28
\$23.216M	\$57.340M	\$36.645M	\$35.889M

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, any surplus funding will be transferred to future years or returned to Treasury.

## Our progress at 30 June 2025

We have made significant progress with implementing and operating the charter school model over the first year. 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.

Please refer to the 'corporate documents' section on the Agency website<sup>2</sup>, where you can find our detailed reporting on this major spending decision.

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<sup>2</sup> Budget 2024 Major Spending Decision, <https://www.charterschools.govt.nz/corporate-documents/>

## PART TWO

# Year-end performance information on appropriations

*He mōhiohio whakatutukinga mutunga-tau  
mō ngā tukunga pūtea*

This section describes the specific outputs we were funded to deliver in 2024/25 to be able to progress the longer-term objectives and priorities reported on in part one of the Annual Report.

The summary of results on the following pages highlights the connections and results for the year. Monitoring this information helps us to review if we are achieving the results intended and make any necessary changes.

The following information reports on what we achieved against the performance measures set out in the 2024/25 estimates of appropriations for Vote Education.

We are the appropriation administrator for the Charter Schools | Kura Hourua multi-category appropriation, which includes both departmental and non-departmental expenditure. For these appropriations, we must report on what has been achieved with the whole appropriation as well as each of the categories. Non-departmental outputs are outputs (goods and services) purchased from an external provider on behalf of the Crown. The provider may be a government agency, a non-governmental organisation, or a private sector organisation.

Additional information on asset measures (unaudited) is provided in our organisational health and capability section. This information is required to be included in the Annual Report.

## Performance indicators:



Achieved



Not achieved






## Vote Education

### Charter Schools | Kura Hourua

<p><b>Overarching purpose statement</b></p> <p>The single overarching purpose of this appropriation is to implement, support, monitor and fund Charter Schools   Kura Hourua for delivery of education to enrolled school students in Years 0 to 13.</p> <p><b>Intention statement</b></p> <p>This appropriation is intended to provide high-quality and timely advice to Ministers to support decision-making, managing the Government's investment in the education sector, and monitoring and oversight of the sector.</p>	
<b>SCOPE OF APPROPRIATION:</b>	
<b>Departmental Output Expenses</b>	<b>Non-departmental output expenses</b>
<p><b>Resourcing and Oversight of Charter Schools</b></p> <p>This category is limited to expenses incurred on operational policies and services relating to selecting and supporting the establishment of charter schools, managing their resourcing, monitoring their performance, and related administrative and oversight activities.</p>	<p><b>Charter School Authorisation Board</b></p> <p>This category is limited to expenses incurred by the Authorisation Board related to considering and approving applications to operate charter schools   kura hourua, and oversight of their performance and monitoring compliance with contractual and legislative requirements.</p>
	<p><b>Charter Schools (Primary Education)</b></p> <p>This category is limited to providing charter schools   kura hourua with roll-based operational funding and supplementary funding programmes to enable the delivery of education to students enrolled in Years 0 to 8.</p>
	<p><b>Charter Schools (Secondary Education)</b></p> <p>This category is limited to providing charter schools   kura hourua with roll-based operational funding and supplementary funding programmes to enable the delivery of education to students enrolled in Years 9 to 13.</p>

## PART TWO

## Overarching multi category appropriation

Performance Measure	Budget Standard 2024/25	Performance 2023/24	Performance 2024/25	Comment
Satisfaction of the portfolio minister with the advice and services	4	No performance information available. The Agency was established on 1 July 2024	3.33	
<p>Feedback from the Associate Minister of Education is “The Agency is working hard on a very rapid start up job”. As a newly established organisation, the Agency is working closely with the Minister’s office to understand and better meet the Minister’s expectations for quality advice and services. We have implemented weekly reporting mechanisms to provide regular updates to the Minister. The Agency sets a high bar for itself and will strive to see this rating improve over the coming year.</p> <p><b>Relevance:</b></p> <p><i>This measure determines the Minister’s rating of satisfaction on the advice and services provided by the Agency. The quality of our advice and services will have a direct impact on the level of Minister satisfaction showing our commitment to system stewardship and contribution to overall education system outcomes.</i></p> <p><b>Measurement Approach:</b></p> <p><i>The Minister responsible (The Associate Minister of Education) completes a standard survey with a range of questions for the financial year 2024/25. This is based on a five-point scale with where 1 means unsatisfied and 5 means extremely satisfied. The rating is averaged and reported in the annual report.</i></p>				
The quality of the Agency's advice (as assessed annually using the policy project guidelines)	3.5	No performance information available. The Agency was established on 1 July 2024	3.1	
<p>During the time of this review, the Agency was still in establishment mode with processes being set up. All written advice papers scored a 3 or more and met the Policy Quality Framework standard. We are taking on feedback from the panel to continuously improve the quality of our written advice.</p> <p><b>Relevance:</b></p> <p><i>The measure determines the quality of written advice papers produced by the Agency. Although the Agency is not a policy agency, we seek to provide quality advice on implementing and operating the model for charter schools   kura hourua. Measuring the quality of written papers shows our commitment to system stewardship and contribution to overall education system outcomes.</i></p> <p><b>Measurement Approach:</b></p> <p><i>This is a panel assessment on the quality of the Agency’s advice (both operational and policy advice) against the Policy Quality Framework. The Agency will provide an external reviewer with a long list of advice papers to select five papers from. The panel will be providing a score for each paper and an analysis report. The average score across the five papers is reported.</i></p>				
Total number of charter school (sponsor) contracts signed	10	No performance information available. The Agency was established on 1 July 2024	9	
<p>Fourteen sponsors were approved by the Authorisation Board for contracting in the 2024/25 year. Twelve contracts were expected to be signed by the end of June 2025, however three were delayed until July 2025. Prolonged commercial negotiations and subsequent contract changes caused the delay in these final three being signed in the 2024/25 year.</p>				

**Relevance:**

*This measure relates back to our budget initiative of delivering up to 50 charter schools in 2025 and 2026 depending on demand and suitability, with appropriate support and monitoring. This measure directly impacts on our strategic priority to grow the charter school network to offer choice and flexibility.*

**Measurement Approach:**

*This is a count of the total number of sponsor contracts signed since establishment of the Agency until the end of the financial year being reported. The Agency uses a contract tracking spreadsheet which records all information on sponsors.*

## Resourcing and oversight of charter schools

Performance Measure	Budget Standard 2024/25	Performance 2023/24	Performance 2024/25	Comment
Percentage of charter schools operating in the financial year that met their minimum performance threshold for attendance	80-100%	No performance information available. The Agency was established on 1 July 2024	N/A	See commentary below
<p>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. Since this reporting period falls outside of the Agency's annual report 2024/25, progress on this measure can only be reported in the period to 30 June 2026.</p> <p><b>Relevance:</b></p> <p><i>This measure relates to the "increased student attendance" outcome and links with our strategic priority to "drive accountability and charter school performance." Charter schools are accountable for ensuring their students are engaged and attending school regularly. Because charter schools offer diverse choices, students can learn in ways that more closely meet their needs. They can play a role in addressing the needs of students who are struggling in the current system, including those who are disengaged or underachieving.</i></p> <p><b>Measurement Approach:</b></p> <p><i>The minimum performance threshold for attendance is the percentage of students who are regularly attending school for more than 90 percent of the term. The minimum performance threshold for regular attendance is dependent on a school's Equity Index (EQI). The measure is equal to the number of charter schools whose regular attendance is at or above their minimum performance threshold divided by the total number of charter schools in the portfolio.</i></p>				
Percentage of charter schools in the financial year that met their minimum performance threshold for achievement	80-100%	No performance information available. The Agency was established on 1 July 2024	N/A	See commentary below
<p>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 achievement outcomes at the end of the 2025 school year formally becomes the baseline. Since this reporting period falls outside of the Agency's annual report 2024/25, progress on this measure can only be reported in the period to 30 June 2026.</p> <p><b>Relevance:</b></p> <p><i>This measure relates to the "improved student achievement" outcome and links with our strategic priority to "drive accountability and charter school performance." Charter schools are expected to improve educational achievement and progress, ensuring their students successfully gain the qualifications and skills they need for work and life. They have greater flexibility to experiment with innovative approaches to education and tailor education to the specific needs of their students.</i></p> <p><b>Measurement Approach:</b></p> <p><i>The minimum performance threshold for achievement is the percentage of students who are at or above the curriculum level (e.g. for reading/writing/maths) or who attain qualifications (years 11 and above). The minimum performance threshold is dependent on the school's EQI. This measure is equal to the number of schools who have met their minimum performance threshold for all areas of achievement (where applicable), divided by the total number of charter schools in the portfolio.</i></p>				

## PART TWO

## Charter school Authorisation Board

Performance Measure	Budget Standard 2024/25	Performance 2023/24	Performance 2024/25	Comment
Satisfaction of the Authorisation Board Chair on the secretariat support and general advice provided by the Charter School Agency	4	No performance information available. The Agency was established on 1 July 2024	5	✓
<p><b>Relevance:</b></p> <p><i>This measure reflects the Agency's core function of being secretariat to the Authorisation Board that approves sponsors for new and converting charter schools, oversees school performance, and decides on interventions with schools. The success of this measure is influenced by the Agency's ability to support effective and robust authorisation.</i></p> <p><b>Measurement Approach:</b></p> <p><i>The Authorisation Board Chair completes a standard satisfaction survey with a range of questions for the financial year 2024/25. This is based on a five-point scale where 1 means unsatisfied and 5 means extremely satisfied. Results are averaged by the Agency and reported in its annual report.</i></p>				
Satisfaction of the Authorisation Board Chair on sponsor application and approval process by the Charter School Agency	4	No performance information available. The Agency was established on 1 July 2024	5	✓
<p><b>Relevance:</b></p> <p><i>This measure reflects the Agency's core function of being secretariat to the Authorisation Board that approves sponsors for new and converting charter schools, oversees school performance, and decides on interventions with schools. The Agency's management of the applications process, reporting and advice to the Authorisation Board as part of the charter school model helps to grow the charter school network to offer choice and flexibility.</i></p> <p><b>Measurement Approach:</b></p> <p><i>The Authorisation Board Chair completes a standard satisfaction survey with a range of questions for the financial year 2024/25. This is based on a five-point scale where 1 means unsatisfied and 5 means extremely satisfied. Results are averaged by the Agency and reported in its annual report.</i></p>				
Satisfaction of the Authorisation Board Chair on the quality of performance monitoring insights provided by the Charter School Agency	4	No performance information available. The Agency was established on 1 July 2024	5	✓
<p><b>Relevance:</b></p> <p><i>This measure reflects the Agency's core function of being secretariat to the Authorisation Board that approves sponsors for new and converting charter schools, oversees school performance, and decides on interventions with schools. The Agency's performance monitoring, reporting and advice to the Authorisation Board as part of the charter school model helps to drive accountability and charter school performance.</i></p> <p><b>Measurement Approach:</b></p> <p><i>The Authorisation Board Chair completes a standard satisfaction survey with a range of questions for the financial year 2024/25. This is based on a five-point scale where 1 means unsatisfied and 5 means extremely satisfied. Results are averaged by the Agency and reported in its annual report.</i></p>				

## Charter schools (primary education)

Performance Measure	Budget Standard 2024/25	Performance 2023/24	Performance 2024/25	Comment
Percentage of charter school (Primary Education) sponsors whose funding was processed and paid out in line with their contractual terms	100%	No performance information available. The Agency was established on 1 July 2024	100%	✓
<p>In 2024/25, payments were made to three contracted sponsors with primary year levels in line with their relevant contractual terms, one sponsor was paid in 2025/26. This includes:</p> <ol style="list-style-type: none"> <li>1. Payment of one-off establishment funding paid upon contract signing subject to the Charter School Agency and Ministry of Education processes to establish and make payments.</li> <li>2. Quarterly or six-monthly payments of entitlement funding paid to sponsors thereafter.</li> </ol> <p>The terms relating to the funding amounts paid (funding key metrics) were used to calculate funding entitlements to ensure alignment with contract terms as well as funding policy principles related to funding following students and broad equivalence.</p> <p><b>Relevance:</b></p> <p><i>This measure links to growing the charter school network to offer choice and flexibility and part of this is ensuring sponsors are funded to offer quality education.</i></p> <p><b>Measurement approach:</b></p> <p><i>This measure looks at sponsors who are offering primary education noting some charter schools will include students across various year groups so some overlap between primary and secondary year groups is possible. Measure looks at instalment schedule for entitlement funding and that sponsor paid either quarterly or six-monthly (per contract terms).</i></p>				

## Charter schools (secondary education)

Performance Measure	Budget Standard 2024/25	Performance 2023/24	Performance 2024/25	Comment
Percentage of charter school (Secondary Education) sponsors whose funding was processed and paid out in line with their contractual terms	100%	No performance information available. The Agency was established on 1 July 2024	100%	✓
<p>In 2024/25, payments were made to all five contracted sponsors with secondary year levels (including composite year levels) in line with their relevant contractual terms. This includes:</p> <ol style="list-style-type: none"> <li>1. Payment of one-off establishment funding paid upon contract signing subject to the Charter School Agency and Ministry of Education processes to establish and make payments.</li> <li>2. Quarterly or six-monthly payments of entitlement funding paid to sponsors thereafter.</li> </ol> <p>The terms relating to the funding amounts paid (funding key metrics) were used to calculate funding entitlements to ensure alignment with contract terms as well as funding policy principles related to funding following students and broad equivalence.</p> <p><b>Relevance:</b></p> <p><i>This measure links to growing the charter school network to offer choice and flexibility and part of this is ensuring sponsors are funded to offer quality education.</i></p> <p><b>Measurement approach:</b></p> <p><i>This measure looks at sponsors who are offering primary education noting some charter schools will include students across various year groups so some overlap between primary and secondary year groups is possible. Measure looks at instalment schedule for entitlement funding and that sponsor paid either quarterly or bi-annually, per contract terms.</i></p>				

## PART TWO

## Charter Schools | Kura Hourua

## Financial performance

	2024/25		
	Budget <sup>1</sup>	Supplementary Estimates	Actual
	\$000	\$000	\$000
<b>Total expenses for MCA as a whole</b>	-	21,482	16,972
This is made up of the following category information:			
<b>Departmental Output Expenses</b>			
Resourcing and Oversight of Charter Schools	-	6,829	5,916
<b>Non-Departmental Output Expenses</b>			
Charter School Authorisation Board	-	200	141
Charter Schools (Primary Education)	-	7,565	5,557
Charter Schools (Secondary Education)	-	6,888	5,358
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	-
Resourcing and Oversight of Charter Schools	-	6,829	6,829

Actual expenditure is \$4.510 million (21%) lower than Supplementary Estimates, mainly due to unexpected delays in contracting sponsors and changes to expected school start dates. An in-principle expense transfer of \$4.150 million has been approved and confirmation will be requested in the 2025 October Baseline Update.

<sup>1</sup> The Agency was established on 1 July 2024 after the Budget Economic Fiscal Update (BEFU) for the 2024/25 financial year was published.

## Charter School Agency – Capital Expenditure PLA

### Scope of appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Charter School Agency; as authorised by section 24(1) of the Public Finance Act 1989.

### Intention statement

This appropriation is intended to achieve investment in the renewal, upgrade, replacement or development of assets in supporting the delivery of the Charter School Agency's core functions and services.

### Performance

Expenditure is in accordance with the Agency's capital asset management plan.

## Charter School Agency – Capital Expenditure PLA

### Financial performance

	2024/25		
	Budget	Supplementary Estimates	Actual
	\$000	\$000	\$000
<b>Capital expenditure</b>			
Intangibles – computer software	-	120	30
<b>Total capital expenditure</b>	-	<b>120</b>	<b>30</b>

The amount of appropriation is a forecast amount to be spent for the Budget year rather than an approved amount as the appropriation is authorised by a permanent legislative authority (PLA). The Charter School Agency receives capital injections to purchase or develop assets. For details of departmental capital injections, refer to Note 10 in the Departmental Financial Statements.

## PART THREE

# Organisational health and capability

*Te hauora me te āheinga o te whakahaere*

## Building a purposeful organisation that delivers: the journey of establishing the Charter School Agency



The Agency was established on 1 July 2024 with a bold mandate: to implement and operate the charter school | kura hourua model, ensuring the first charter schools were ready to open by February 2025. This ambitious timeline demanded high levels of agility, as a rapid start-up capable of delivering quality outcomes at pace.

### Setting our vision, mission and strategic direction

The Agency quickly developed a high-level operating model to give effect to the institutional arrangements agreed by Cabinet, clarifying organisational functions and roles and responsibilities. This enabled it to deliver in the here-and-now while it simultaneously worked to develop a five-year excellence horizon.

As a departmental agency which operates within the strategic and policy framework of the Ministry of Education, a key focus was on defining the roles and responsibilities of both the Agency and the Ministry, ensuring clarity and accountability. The Departmental Agency Agreement includes the provision of corporate services and other operational working arrangements to enable the work of the Agency. This arrangement has proven invaluable, with the Ministry providing immediate and dedicated support in a wide range of areas such as procurement, legal, finance, policy and people services.

The Agency's medium-term strategy is annexed to the Ministry's 2025–2029 Strategic Intentions document. It is informed by an independent review exploring future opportunities, challenges and international examples from the US, UK and Sweden where charter schools have driven innovation and improved educational outcomes.

From this, the Agency has developed a clear vision, mission and strategic priorities to guide its work over the next five years, in order to achieve its mission. Strategic priorities include the following.

- **Support effective and robust authorisation.** We support the Authorisation Board that approves sponsors, oversees school performance and decides on interventions.
- **Grow the charter school network to offer choice and flexibility.** Creating a diverse network of charter schools that offer high quality education will meet the needs of students and families.
- **Drive accountability and charter school performance.** The charter school model ensures a framework of clear expectations, monitoring and reporting, and intervention.
- **Replicate success and innovation across the system.** Over time we seek to facilitate innovation and disseminate evidence-based practice across the system.



### These strategic priorities will be enabled by:

- good data and evidence, delivering data an intelligence-based insights
- strong sector relationships and engagement, with purposeful connections and partnerships
- fit for purpose, resilient and sustainable Agency, with the capability systems and processes to deliver results.

## Designing our organisation and workforce

The start-up phase has required the right capability and experience. The establishment Chief Executive rapidly mobilised a leadership team to oversee key workstreams. This initial structure enabled the Agency to effectively manage the dual challenge of standing up new schools while simultaneously building the internal systems, processes, and capabilities required for long-term success.

The initial Budget 2024 allocation included additional funding for the first two years of implementation. This created an organisational design challenge as it was our expectation that some capabilities would only be required over the first 12-24 months of operation to set up and establish a new organisation, as well as support the application and contracting processes required to establish new and converting charter schools. Our workforce reflects this with mostly senior level and experienced roles and few administrative or junior-level roles. Back-office corporate services and other enabling supports are provided by the Ministry of Education, as intended by the departmental agency form.

During the year, the Agency initiated a structured workforce planning process to determine a sustainable, established Agency workforce. We envisage that, as a small, effective and efficient Agency, with enabling services provided by the Ministry of Education, our workforce will continue to be highly capable and experienced.

## Developing our culture and ways of working

Through an inclusive process, the Agency developed “Our Way” – a description of our desired culture and a set of agreed behaviours co-created with our people. This approach fostered a strong sense of ownership and alignment across the organisation. Importantly, it places the child at the heart of what we do, providing a clear line of sight between our strategy and culture.

### With the child at the heart of what we do, we achieve better outcomes together

Our  
WAY



#### **BETTER He Pai Ake**

*We're focused on raising educational achievement for students in Aotearoa New Zealand.*

- > **bold** and courageous in driving towards our goals
- > **innovative** and challenge the status quo



#### **OUTCOMES Ngā Putanga**

*We own the outcome with high accountability and transparency, to foster trust and confidence.*

- > **accountable** and responsible for our actions and outcomes
- > **transparent** and open in our communication



#### **TOGETHER Ko Tātou Tahi**

*We commit to working with each other, across the charter school network, and the wider system.*

- > **collaborative** and partner for success
- > **respectful** and enhance the mana of others.

## PART THREE

The Agency's participation in the 2025 Public Service Census | Te Taunaki yielded a 100 percent response rate. Highlights include:

- 84 percent of our people believed the Agency was achieving its objectives, compared to 61 percent across the public service.
- 84 percent felt encouraged to find new and better ways of doing things, compared to 70 percent public service average.
- This high engagement index, which reflects each employee's responses to questions about their enthusiasm for their job, willingness to recommend their organisation, sense of accomplishment from their work, belief that their work contributes to the common good, and overall job satisfaction.

These results reflect a high-trust, high-performance culture grounded in collaboration, innovation, and delivery, where staff feel valued and empowered. It also revealed some areas where we could continue to develop as an organisation. The Agency's commitment to continuous improvement is evident in its openness to feedback and its proactive approach to refining systems and processes. The executive leadership team has developed a forward-looking action plan focusing on embedding culture and public service values, workload management, wellbeing and development to support high performance.

### Ensuring strong financial accountability and performance

The Agency has been entrusted to administer the Charter Schools | Kura Hourua multi category appropriation as a departmental agency who can manage its own assets and liabilities under the Public Service Act 2020. As a major budget spending decision, the Agency has focused on putting in place robust foundations to support financial management and performance, with a strong culture of delivery, fiscal discipline and value for money.

The Agency is responsible for delivering funding which involves the management of significant non-departmental expenditure, as it manages the sponsor contracts on behalf of the Crown. This has required the development of robust processes around forecasting and modelling, linked with corporate financial processes, supported by the Ministry of Education.

The Agency has also focused on effectively and efficiently managing its departmental expenditure. This has included careful and considered use of external contracts and outsourced services, as well as cost-effective and appropriate provision of legal advice. Notably, the Agency identified significant savings within its departmental budget by delivering key functions in-house and leveraging existing resources across the education sector to support government priorities.

These actions will be supported by an ongoing culture of strong financial accountability, led and role modelled from the top. We will continue to use a range of internal controls and assurance mechanisms. Our focus is to move towards a more strategic financial focus in the coming year, now that the foundations are in place.

### Looking to the future

Achieving our goals and delivering our mission requires the Agency to be a fit for purpose, resilient and sustainable organisation, moving from establishment to business as usual.

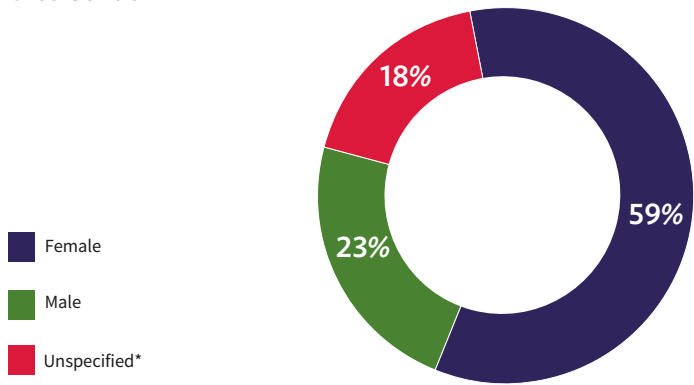
As the Agency transitions to business-as-usual in the coming year, its focus remains steadfast: to lift student achievement, as well as strengthen and diversify New Zealand's education system. This will be achieved by placing children at the centre of decision-making, maintaining fiscal discipline and fostering a culture of delivery and innovation.

The Agency’s journey from inception to impact is a testament to what can be achieved through clear purpose, strategic alignment, and a committed team. As we look ahead, the Agency is well-positioned to deliver on its mission and contribute meaningfully to the future of education in Aotearoa New Zealand.

Diversity, equity and inclusion

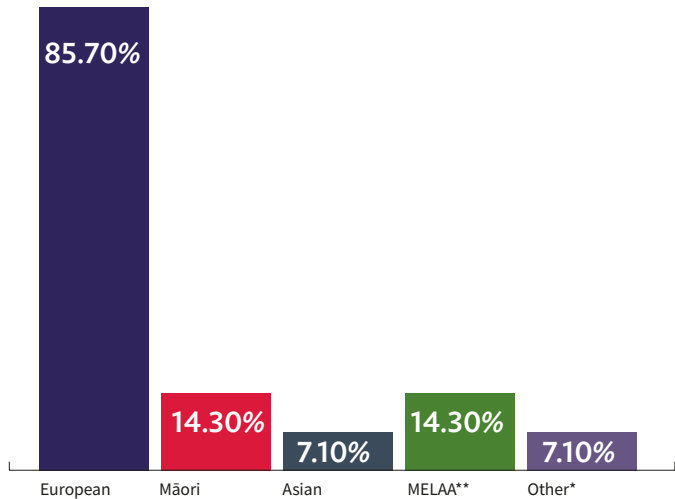
As at 30 June 2025 the Agency had 16.6 full-time equivalent employees, of which seven were permanent employees and 9.6 were fixed-term employees.

Workforce Gender



\*Unspecified: A specific gender was not selected

Workforce Ethnicity\*



\* Note: percentages can add up to more than 100 percent as individuals can select up to four ethnicities  
\*\*Middle Eastern/Latin American/African

## PART THREE

The Agency upholds the Ministry of Education's employment policies and recruitment processes as part of the Departmental Agency Agreement and is committed to being a good employer. All roles are contestable, with appointments made based on merit. To mitigate bias, we use diverse recruitment panels and ensure that selection criteria are established upfront.

As of the latest reporting period, the Agency's gender pay gap is 3.3 percent, compared to the wider public service figure of 6.1 percent as at 30 June 2024.

Employees have access to the Ministry of Education's employee-led networks, which support inclusion, wellbeing, and professional development.

## **Māori language planning – te reo Māori revitalisation and Māori Crown Relations capability (Whāinga Amorangi)**

Our people have access to all of the Ministry's resources including the modules on:

- understanding Te Tiriti
- Tau Mai Te Reo, a module designed to build understanding the place of te reo Māori within the education system, te Ao Māori and wider Aotearoa New Zealand society
- unconscious bias
- working in diverse communities.

We have also instituted some tikanga in how we run our meetings. We encourage the use of te reo in our verbal and written communications and participate in the waiāta groups in Te Iho, the building where the Agency is located.

Our Public Service Census | Te Taunaki results reflect a balance of what's going well and where we can improve.

- 74 percent of our people feel they are encouraged and supported to engage with Māori and to understand Māori perspectives.
- 84 percent feel confident in their ability to identify aspects of the agency's work that may disadvantage Māori.
- 79 percent are comfortable supporting tikanga Māori in the agency (e.g. by using te reo Māori, participating in karakia, hui, mihi whakatau).
- However, only 47 percent feel they are encouraged to use te reo Māori and 22 percent feel supported to improve their te reo (e.g. through on-the-job learning, in-house courses, etc).

As an agency in its first year of establishment, we were exempt from developing Māori Language or Whāinga Amorangi plans. We are currently developing an overall People Plan for the agency which will include these aspects. Our Public Service census results have helped us identify the areas that require the most focus. While these plans have not been in place, our selection criteria for recruitment include assessing candidates' understanding of and knowledge and experience in engaging with Māori.

Health and safety

The Agency has adopted the Ministry’s policies and procedures with regard to health, safety and wellbeing. Additionally, we have additional measures in place due to our location in Te Iho. These include appointment of five designated fire wardens and health and safety officers and membership on the building’s Health and Safety Committee. We actively encourage employees to take advantage of the Hauora Allowance and also promote the use of Employee Assistance Programme (EAP) services where needed. Additionally, we have had instances where we’ve had EAP services tailored for special circumstances.

The Public Service census results indicated zero cases of bullying or harassment and not one of our people felt they had experienced any form of discrimination.

Treaty settlement commitments

Our Agency is not currently responsible for Treaty settlement commitments.

Carbon neutral government programme

The Agency is exempt from the Carbon Neutral Government Programme reporting during its first financial year following its establishment.

Service critical assets

The table below outlines how the Agency’s assets performed against our unaudited asset performance measures in accordance with Cabinet Office Circular CO (23) (9) requirements. These assets are service critical assets which, if damaged or destroyed, are likely to have a significantly adverse impact on the delivery of our services.

Asset	Relevance	Assessment of Performance	Indicator	Standard	2023/24	2024/25
Charter School agency website	Our website is a primary channel for publishing information and guidance for interested sponsors applying to be a charter school. It also provides information on charter schools for interested parties and media releases and contact details for media queries	Website is operating and available	Availability	100%	New Measure	100* *Monitoring of the website indicates no outages or crashes.

# Annual financial statements

## *Ngā tauākī ahumoni ā-tau*

The financial statements are presented in three parts – departmental (page 48), non-departmental (page 62) and appropriation statements (page 67).

The departmental financial statements cover all financial resources used by the Charter School Agency to deliver the goods or services purchased by the Charter School Agency for the financial year ended 30 June 2025. They also include forecast financial statements for the following financial year. As the Charter School Agency was established and started its operations on 1 July 2024, there is no comparative information for the previous financial year.

Treasury Instructions also require departments to disclose non-departmental activities they administer on behalf of the Crown in the form of schedules. As these schedules are not financial statements for the purposes of the Public Finance Act 1989 (PFA), they do not provide forecast results for the following financial year.

The appropriation statements report information about expenses and capital expenditure incurred against each appropriation under Vote Education administered by the Charter School Agency.

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## PART FOUR

## Charter School Agency Departmental Financial Statements

for the year ended 30 June 2025

### Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2025

		2025 Actual	2025 Budget <sup>1</sup> (unaudited)	2026 Forecast (unaudited)
	Notes	\$000	\$000	\$000
<b>Revenue</b>				
Revenue Crown	3	6,829	6,829	8,424
<b>Total operating revenue</b>		<b>6,829</b>	<b>6,829</b>	<b>8,424</b>
<b>Expenses</b>				
Personnel costs	4	3,423	2,660	2,482
Other operating expenses	5	2,493	4,169	5,942
<b>Total operating expenses</b>		<b>5,916</b>	<b>6,829</b>	<b>8,424</b>
<b>Net operating surplus/(deficit)</b>		<b>913</b>	-	-
<b>Net surplus/(deficit)</b>		<b>913</b>	-	-
<b>Total comprehensive revenue and expense</b>		<b>913</b>	-	-

Explanations of major variances against the 2025 Supplementary budget are provided in Note 14.

The above *Statement of Comprehensive Revenue and Expenses* should be read in conjunction with the accompanying notes.

<sup>1</sup> As the Agency was established on 1 July 2024 after the Budget Economic Fiscal Update (BEFU) for the 2024/25 financial year, the Supplementary budget has been used for comparative purposes.



## Statement of Financial Position

as at 30 June 2025

		2025 Actual \$000	2025 Budget (unaudited) \$000	2026 Forecast (unaudited) \$000
	Notes			
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		162	120	200
Debtors and other receivables	6	1,353	-	-
<b>Total current assets</b>		<b>1,515</b>	<b>120</b>	<b>200</b>
<b>Non-current assets</b>				
Intangible assets		23	-	-
<b>Total non-current assets</b>		<b>23</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>1,538</b>	<b>120</b>	<b>200</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables	7	309	-	-
Return of operating surplus to Crown	8	913	-	-
Employee entitlements	9	235	-	-
<b>Total current liabilities</b>		<b>1,457</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>				
Employee entitlements	9	51	-	-
<b>Total non-current liabilities</b>		<b>51</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,508</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>30</b>	<b>120</b>	<b>200</b>
<b>Taxpayers' equity</b>				
General funds		-	-	200
Capital injections	10	30	120	-
<b>Total taxpayers' equity</b>		<b>30</b>	<b>120</b>	<b>200</b>

Explanations of major variances against the 2025 Supplementary budget are provided in Note 14.

The above *Statement of Financial Position* should be read in conjunction with the accompanying notes.

## PART FOUR

## Statement of Changes in Taxpayers' Equity

for the year ended 30 June 2025

		2025 Actual	2025 Budget (unaudited)	2026 Forecast (unaudited)
	Notes	\$000	\$000	\$000
Balance as at 1 July 2024		-	-	120
Total comprehensive revenue and expense		913	-	-
<i>Owner transactions</i>				
Capital injections	10	30	120	80
Return of operating surplus to Crown	8	(913)	-	-
<b>Balance as at 30 June 2025</b>		<b>30</b>	<b>120</b>	<b>200</b>

Explanations of major variances against the 2025 Supplementary budget are provided in Note 14.  
The above *Statement of Changes in Taxpayers' Equity* should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2025

	2025 Actual	2025 Budget (unaudited)	2026 Forecast (unaudited)
	\$000	\$000	\$000
<b>Cash flows from operating activities</b>			
Receipts from revenue Crown	5,476	6,829	8,424
Payments to suppliers	(2,264)	(4,169)	(5,942)
Payments to employees	(3,115)	(2,660)	(2,482)
Goods and services tax (net)	65	-	-
<b>Net cash flow from operating activities</b>	<b>162</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	(30)	-	-
<b>Net cash flow from investing activities</b>	<b>(30)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Capital injections	30	120	80
<b>Net cash flow from financing activities</b>	<b>30</b>	<b>120</b>	<b>80</b>
<b>Net (decrease)/increase in cash</b>	<b>162</b>	<b>120</b>	<b>80</b>
Cash at the beginning of the year	-	-	120
<b>Cash at the end of the year</b>	<b>162</b>	<b>120</b>	<b>200</b>

Explanations of major variances against the 2025 Supplementary budget are provided in Note 14.  
The above *Statement of Cash Flows* should be read in conjunction with the accompanying notes.

## Reconciliation of net surplus with cash flow from operating activities

	2025 Actual \$000
<b>Net surplus</b>	<b>913</b>
<b>Add/(less) non-cash items</b>	
Amortisation, impairment and write-off on intangible assets	7
Increase in non-current employee entitlements	51
<b>Total non-cash items</b>	<b>58</b>
<b>Add/(less) items classified as investing or financing activities</b>	
<b>Total investing or financing activities</b>	
<b>Add/(less) movements in working capital items</b>	
Increase/(Decrease) in debtors and other receivables	(1,288)
Increase/(Decrease) in creditors and other payables	244
Increase/(Decrease) in current employee entitlements	235
<b>Total net movement in working capital items</b>	<b>(809)</b>
<b>Net cash flow from operating activities</b>	<b>162</b>

## Statement of Commitments

as at 30 June 2025

	2025 Actual \$000
<b>Non-cancellable operating leases</b>	
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
<b>Agency office premises</b>	
• Not later than one year	191
• Later than one year and not later than five years	763
• Later than five years	1,524
<b>Total non-cancellable operating lease commitments</b>	<b>2,478</b>

### Non-cancellable operating leases

The Agency has leased office space. The amounts disclosed above as future commitments are based on the current lease terms.

This lease expires in June 2038.

There are no restrictions placed on the Agency by any of its leasing arrangements.

**PART FOUR****Statement of Contingent Liabilities and Contingent Assets**

as at 30 June 2025

***Quantifiable contingent liabilities***

The Agency has no quantifiable contingent liabilities.

***Unquantifiable contingent liabilities***

The Agency has no unquantifiable contingent liabilities.

***Contingent assets***

The Agency has no contingent assets.

## Notes to the Departmental Financial Statements

for the year ended 30 June 2025

### Note 1 – Reporting Entity

The Charter School Agency (“Agency”) is a departmental agency as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Agency’s operations includes the Public Finance Act 1989 (PFA) and the Public Service Act 2020. The Agency’s ultimate parent is the New Zealand Crown.

In addition, the Agency has reported on Crown activities that it administers in the non-departmental schedules on page 62.

The Agency is accountable and responsible for the delivery of charter schools. It does not operate to make a financial return.

The Agency has designated itself as a Public Benefit Entity (PBE) for financial reporting purpose complying with generally accepted accounting practice (GAAP).

The financial statements of the Agency are for the year ended 30 June 2025 and the Chief Executive approved them for issue on 30 September 2025.

### Note 2 – Basis of Preparation and Statement of Significant Accounting Policies

#### Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

#### *Statement of compliance*

The financial statements of the Agency have been prepared in accordance with the requirements of the PFA, which include the requirement to comply with GAAP, and Treasury Instructions.

The financial statements have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards.

#### *Presentation currency and rounding*

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

#### *Changes in accounting policies*

This is the first year of operation for the Agency. The Agency’s accounting policies have been applied consistently throughout the year.

#### *Standards issued and not yet effective and not early adopted*

Standards and amendments issued, but not yet effective, which have not been early adopted and that are relevant to the Agency are:

#### *PBE Conceptual Framework Update*

Effective for annual reporting periods beginning on or after 1 January 2028.

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The updates to the PBE Conceptual Framework are based on the recent limited-scope updates to the IPSASB's conceptual framework, and amends Chapter 3 Qualitative Characteristics and Chapter 5 Elements in General Purpose Financial Reports. The amendments include:

- Updates to the guidance on materiality
- Additional guidance has been included to clarify, when applying the qualitative characteristic of faithful representation, how prudence should be considered
- Updates to the definitions of an asset and a liability and the related guidance
- It also introduces new guidance on the unit of account and on binding arrangements that are equally unperformed

The Agency has not yet determined how this update will affect its reporting. It does not plan to adopt the standard early.

### Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

#### *Goods and services tax*

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue (IR) is included as part of the receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### *Income tax*

The Agency is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

#### *Critical accounting estimates and assumptions*

In preparing these financial statements, the Agency has made estimates about the future. These estimates and assumptions may differ from the subsequent actual results. The Agency continually evaluates estimates and assumptions, which are based on historical experience and other factors, including expectations of future events that the Agency believes to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- measuring long service leave and retirement gratuities – refer to Note 9

#### *Critical judgements in applying accounting policies*

Management has exercised the following critical judgements in applying accounting policies:

- classification of leases – refer to Note 5

### *Budget and forecast figures*

The 2025 budget figures are for the year ended 30 June 2025. They are consistent with the Agency's best estimate financial forecast information submitted to the Treasury for the Supplementary Estimates (Supps) for the 2024/25 financial year. The Agency was established on 1 July 2024 after the Budget Economic Fiscal Update (BEFU) for the 2024/25 financial year so the Supps budget has been used for comparative purposes.

The 2026 forecast figures are for the year ending 30 June 2026 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2025/26.

The forecast financial statements have been prepared to communicate forecast financial information for accountability purposes, as required by the Act.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2026 forecast figures have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

The Chief Executive approved the forecast financial statements for issue on 17 April 2025.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all of the required disclosures.

Although the Agency regularly updates its forecasts, it will not publish updated forecast financial statements for the year ending 30 June 2026.

### *Significant assumptions used in preparing the forecast financials*

The forecast figures contained in these financial statements reflect the Agency's purpose and activities and are based on several assumptions about what may occur during the 2025/26 year. They have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions were as follows:

- The Agency's activities and output expectations are focused on the Government's priorities
- Personnel costs were based on current wages and salary costs and full-time equivalent (FTE) levels and staff turnover, adjusted for anticipated remuneration changes
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Agency's best estimate of future costs that will be incurred.

The actual financial results achieved for 30 June 2025 are likely to vary from the forecast information presented, and the variations might be material.

## **Note 3 – Revenue**

### **Accounting policy**

#### *Revenue Crown*

Revenue from the Crown is measured based on the Agency's funding entitlement for the reporting period. Revenue Crown is a non-exchange transaction because the Crown does not directly receive equal value from the Agency in return for the funding. Parliament establishes the funding entitlement when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any

## PART FOUR

amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved before balance date. There are no conditions attached to the funding from the Crown. However, the Agency can incur expenses only within the scope and limits of its appropriations. The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

## Note 4 – Personnel Costs

### Accounting policy

#### *Salaries and wages*

Salaries and wages are recognised as an expense as employees provide services.

#### *Superannuation schemes*

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

A breakdown of personnel costs is as follows:

	2025 Actual \$000
Salaries and wages	2,968
Defined contribution plan employer contributions	62
Increase/ (decrease) in employee entitlements	286
Other personal expenses	107
<b>Total personnel costs</b>	<b>3,423</b>

## Note 5 – Other Operating Expenses

### Accounting policy

#### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

#### *Other expenses*

Other expenses are recognised as goods and services are received.



A breakdown of other operating expenses is as follows:

	2025 Actual \$000
Fees to auditors for audit of the financial statements	50
Fees for other assurance services	52
Contracts for services	1,485
Legal fees	556
Consultants	101
Travel, meetings and conference costs	100
Operating lease costs – office accommodation	30
ICT costs (including cloud-based computing services)	14
Other operating expenses	105
<b>Total other operating expenses</b>	<b>2,493</b>

Fees for other assurance services relates to probity assurance conducted by Audit New Zealand.

## Note 6 – Debtors and Other Receivables

### Accounting policy

#### *Debtor Crown*

Debtor Crown represents cash which has been appropriated, but yet to be drawn down from, the New Zealand Debt Management Office (NZDMO). The Agency classifies Debtor Crown as current because it can be realised in cash within three working days.

#### *Other receivables*

Debtors and other receivables are recognised initially at fair value and subsequently at amortised cost, less any provision for impairment. Due to their short-term nature, debtors and other receivables are not discounted.

The Agency's debtor and other receivables balance at 30 June relates to Crown Debtor.

## Note 7 – Creditors and Other Payables

### Accounting policy

Short-term payables are recorded at the amount payable.

Creditors and other payables is comprised of:

	2025 Actual \$000
<i>Exchange</i>	
Accrued operating expenses	243

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Non-exchange	
Taxes payable	66
<b>Total creditors and other payables</b>	<b>309</b>

## Note 8 – Return of Operating Surplus to Crown

The Agency has an obligation to return a portion of its operating surplus to the Crown in accordance with the PFA 1989. The calculation for the operating surplus to be paid to the Crown is as follows:

	<b>2025 Actual \$000</b>
Net surplus/(deficit)	913
<b>Total return of operating surplus to Crown</b>	<b>913</b>

The return of operating surplus to the Crown is required to be paid by 31 October of each year.

## Note 9 – Employee Entitlements

### Accounting policy

#### *Short-term employee entitlements*

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long service leave, and retirement gratuities expected to be settled within 12 months.

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis.

#### *Presentation of employee entitlements*

Annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

	<b>2025 Actual \$000</b>
<b>Current portion</b>	
Annual leave	114
Other short-term employee entitlements	121
<b>Total current portion</b>	<b>235</b>
<b>Non-current portion</b>	

Retirement gratuities	44
Long service leave	7
<b>Total non-current portion</b>	<b>51</b>
<b>Total creditors and other payables</b>	<b>286</b>

The calculations for long service leave and retirement gratuities were determined by an independent actuary, where the main economic assumptions applied were discount rates prescribed by the Treasury, the salary inflation factor and resignation rates.

The actuary who provided the valuation for long service leave and retiring gratuities as at 30 June 2025 was Jonathan Eriksen, Fellow of the New Zealand Society of Actuaries.

The effect on the valuation of changes in economic assumptions is as follows:

- If the salary inflation factor were to differ by 1.5% from the estimate, with all other factors held constant, the carrying amount of the combined liability for long service leave and retirement gratuities and the surplus/deficit would be estimated \$2,250 higher/lower.
- If the resignation rates were to differ by 50% from the estimate, with all other factors held constant, the carrying amount of the combined liability for long service leave and retirement gratuities and the surplus/deficit would be estimated \$150 higher/lower.

## Note 10 – Equity

### Accounting policy

Equity is the Crown's investment in the Agency and is measured as the difference between total assets and total liabilities.

	<b>Equity \$000</b>
<b>Balance as at 1 July 2024</b>	-
Net surplus/(deficit)	913
Capital injections	30
Return of operating surplus to the Crown	(913)
<b>Balance as at 30 June 2025</b>	<b>30</b>

## Note 11 – Financial Instruments

### Accounting policy

The Agency's activities expose it to a variety of financial instrument risks, including credit risk and liquidity risk. The Agency has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature.

#### *Credit risk*

Credit risk is the risk that a third party will default on its obligations to the Agency, causing it to incur a loss. In the normal course of business, credit risk arises from receivables and deposits with banks. The Agency's

## PART FOUR

maximum credit exposure for each class of financial instrument is represented by the total carrying amount of these financial assets at balance date. The Agency is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank.

#### *Liquidity risk*

Liquidity risk is the risk that the Agency will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the Agency closely monitors forecast cash requirements with expected cash drawdowns from the NZDMO. The Agency maintains a targeted level of available cash to meet liquidity requirements.

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

	2025 Actual \$000
<b>Financial assets measured at amortised cost</b>	
Cash and cash equivalents	162
Receivables (excluding taxes receivable)	1,353
<b>Total financial assets measured at amortised cost</b>	<b>1,515</b>
<b>Financial liabilities measured at amortised cost</b>	
Payables (excluding taxes payable)	-
<b>Total financial liabilities measured at amortised cost</b>	<b>-</b>

Cash and cash equivalents are cash on hand with Westpac, a registered bank, that form part of the day-to-day cash management of the Agency. No interest is payable to the Agency on its bank accounts. The Agency is only permitted to spend the cash and cash equivalents within the scope of its appropriations.

The liability for the repayment of surplus to the Crown is not a financial liability as defined by PBE IPSAS 28 Financial Instruments: Presentation, as the obligation to pay arises from statute. Similarly, Debtor Crown does not meet the definition of a financial asset as the funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year.

## Note 12 – Capital Management Accounting policy

The Agency's capital is its taxpayers' equity, which comprises general funds and is represented by net assets.

The Agency manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Agency's taxpayers' equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities and compliance with the Government Budget processes, Treasury Instructions and the PFA.

The objective of managing the Agency's equity is to ensure the Agency effectively achieves its goals and objectives that it has been established for while remaining a going concern.

Note 13 – Related Party Transactions and Key Management Personnel

Related party transactions

The Agency is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect that the Agency would have adopted in dealing with the party at arm’s length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Agency has no related party transactions that are required to be disclosed at year end (2024: \$Nil).

Key management personnel compensation disclosure

	2025 Actual
Remuneration and other benefits	670,307
Full-time equivalent staff	2

Key management personnel compensation includes the remuneration for the senior management team, which consists of the Chief Executive and three senior management positions.

Note 14 – Explanation of Major Variances against Budget

Explanations for major variances from the Agency’s 2025 budget figures are as set out below:

Statement of Comprehensive Revenue and Expenses

Actual expenditure is \$913,000 lower than Budget due to unexpected delays in contracting sponsors and changes to expected school start dates. An in-principle expense transfer of \$4.150 million has been approved and confirmation will be requested in the 2025 October Baseline Update.

Statement of Financial Position

Net assets are \$90,000 lower than Budget due to timing of capital expenditure.

Note 15 – Events after the Balance Date

There have been no events after the balance sheet date requiring the disclosure in these financial statements.

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## Charter School Agency Non-Departmental Schedules

for the year ended 30 June 2025

The following non-departmental schedules record the revenue, capital receipts, expenses, assets, liabilities, contingent liabilities and contingent assets that the Agency manages on behalf of the Crown.

### Schedule of Non-Departmental Revenue

for the year ended 30 June 2025

	2025 Actual \$000	2025 Budget (unaudited) \$000
Miscellaneous revenue	-	-
<b>Total non-departmental revenue</b>	<b>-</b>	<b>-</b>

### Schedule of Non-Departmental Capital Receipts

for the year ended 30 June 2025

	2025 Actual \$000	2025 Budget (unaudited) \$000
	-	-
	-	-
<b>Total non-departmental capital receipts</b>	<b>-</b>	<b>-</b>

*The above schedules should be read in conjunction with the accompanying notes.*

### Schedule of Non-Departmental Expenses

for the year ended 30 June 2025

	2025 Actual \$000	2025 Budget (unaudited) \$000
Grant expenditure	10,915	48,611
GST input expense	1,645	-
Other operating expenses	141	-
<b>Total non-departmental expenses</b>	<b>12,701</b>	<b>48,611</b>

Further details of non-departmental expenditure and appropriations by Vote are provided in the Appropriations Statements on page 67. The Appropriation Statements cover both operating (above) and capital expenditure.

*The above schedules should be read in conjunction with the accompanying notes.*

## Schedule of Non-Departmental Assets

as at 30 June 2025

	2025 Actual \$000	2025 Budget (unaudited) \$000
Current assets		
Cash and cash equivalents	-	-
<b>Total non-departmental assets</b>	<b>-</b>	<b>-</b>

## Schedule of Non-Departmental Liabilities

as at 30 June 2025

	2025 Actual \$000	2025 Budget (unaudited) \$000
Current liabilities		
Creditors and other payables	81	-
<b>Total non-departmental liabilities</b>	<b>81</b>	<b>-</b>

## Schedule of Non-Departmental Commitments

as at 30 June 2025

The Agency, on behalf of the Crown, has no non-cancellable capital or lease commitments.

## Schedule of Non-Departmental Contingent Liabilities and Assets

as at 30 June 2025

### **Quantifiable contingent liabilities**

The Agency, on behalf of the Crown, has no quantifiable contingent liabilities

### **Unquantifiable contingent liabilities**

The Agency, on behalf of the Crown, has no unquantifiable contingent liabilities

### **Contingent assets**

The Agency, on behalf of the Crown, has no contingent assets

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## Notes to the Non-Departmental Schedules

### Note 1 – Reporting Entity

These non-departmental schedules present financial information on public funds managed by the Charter School Agency (“Agency”) on behalf of the Crown.

These non-departmental balances are consolidated into the financial statements of the Government. For a full understanding of the Crown’s financial position and the results of its operations for the year, reference should be made to the Financial Statements of the Government.

### Note 2 – Basis of Preparation and Statement of Significant Accounting Policies

#### Basis of preparation

The non-departmental schedules have been prepared in accordance with the Government’s accounting policies as set out in the financial statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules are consistent with New Zealand generally accepted accounting practice (GAAP) PBE Standards as appropriate for PBEs.

#### Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

#### *Grant expenditure*

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

#### *Commitments*

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at balance date. Information on non-cancellable capital and lease commitments are reported in the *Schedule of Non-Departmental Commitments*.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are reported in the *Schedule of Non-Departmental Commitments* at the lower of the remaining contractual commitment and the values of those penalty or exit costs (that is, the minimum future payments).

#### *Goods and services tax (GST)*

All items in the non-departmental schedules are stated exclusive of GST, except for debtors, creditors and accrued expenses, which are stated on a GST-inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense (in the *Schedule of Non-departmental Expenses*) and eliminated against GST revenue on consolidation of the financial statements of the Government.



*Budget figures*

The 2025 budget figures are for the year ended 30 June 2025. They are consistent with the Agency's best estimate financial forecast information submitted to the Treasury for the Supplementary Estimates (Supps) for the 2024/25 financial year. The Agency was established on 1 July 2024 after the Budget Economic Fiscal Update (BEFU) for the 2024/25 financial year so the Supps budget has been used for comparative purposes.

**Note 3 – Creditors and Other Payables**

Creditors and other payables is comprised of:

	<b>2025 Actual \$000</b>
Creditors	80
Accrued expenses	1
<b>Total creditors and other payables</b>	<b>81</b>

Creditors and other payables are non-interest bearing and are normally settled within 30 days. Therefore, due to their short-term nature creditors and other payables are not discounted and their carrying value approximates their fair value, so are classified as current liabilities.

**Note 4 – Financial Instruments**

The Agency's activities expose it to a variety of financial instrument risks, including credit risk and liquidity risk. The Agency has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature.

*Credit risk*

Credit risk is the risk that a third party will default on its obligations to the Agency, causing it to incur a loss. In the normal course of business, credit risk arises from receivables and deposits with banks. The Agency is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank.

*Liquidity risk*

Liquidity risk is the risk that the Agency will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the Agency closely monitors forecast cash requirements with expected cash drawdowns from the NZDMO. The Agency maintains a targeted level of available cash to meet liquidity requirements.

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*Categories*

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

	2025 Actual \$000
<b>Financial Assets</b>	
<b>Financial assets measured at amortised cost</b>	
Cash and cash equivalents	-
<b>Total financial assets measured at amortised cost</b>	-
<b>Financial liabilities</b>	
<b>Financial liabilities measured at amortised cost</b>	
Creditors	80
<b>Total financial liabilities measured at amortised cost</b>	<b>80</b>

Cash and cash equivalents are cash on hand with Westpac, a registered bank, that form part of the day-to-day cash management of the Agency. No interest is payable to the Agency on its bank accounts. The Agency is only permitted to spend the cash and cash equivalents within the scope of its appropriations.

*Contractual maturity analysis of non-derivative financial liabilities*

The table below analyses the Agency's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000	Total \$000
<b>2025</b>					
Creditors	80				

**Note 5 – Explanation of Major Variances against Budget**

Explanations for major variances from the Agency's non-departmental Budget figures are as follows:

*Schedule of expenses*

Actual expenditure is \$3.597 million lower than Budget due to unexpected delays in contracting sponsors and changes to expected school start dates. An in-principle expense transfer of \$4.150 million has been approved and confirmation will be requested in the 2025 October Baseline Update.

## Appropriation Statements

for the year ended 30 June 2025

The following statements report information about the expenses and capital expenditure incurred against each appropriation under Vote Education administered by the Charter School Agency for the year ended 30 June 2025 in compliance with section 45A of the PFA 1989.

Total departmental output expenses and appropriations equal total operating expenses in the *Statement of Comprehensive Revenue and Expenses* on page 48. All performance information for these outputs is included in Part 2 of this Annual Report.

## Statement of Budgeted and Actual Expenses and Capital Expenditure Incurred against Appropriations

for the year ended 30 June 2025

### Annual and permanent appropriations for Charter School Agency - Vote Education

Appropriation	Expenditure 2025 Actual \$000	Approved Appropriation Budget <sup>2</sup> 2025 \$000	Location of End-of-Year Performance information <sup>3</sup>
<b>Departmental capital expenditure</b>			
Charter School Agency - Capital Expenditure PLA	30	120	1
<b>Multi-Category Expenses and Capital Expenditure (MCAs)<sup>4</sup></b>			
Charter Schools   Kura Hourua MCA			
Departmental output expense			
<i>Resourcing and Oversight of Charter Schools</i>	5,916	6,829	1
Non-departmental output expenses			
<i>Charter School Authorisation Boards</i>	141	200	1
<i>Charter Schools (Primary Education)</i>	5,557	7,565	1
<i>Charter Schools (Secondary Education)</i>	5,358	6,888	1
<b>Total Multi-Category Expenses and Capital Expenditure</b>	<b>16,972</b>	<b>21,482</b>	
<b>Total annual and permanent appropriations for Vote Education</b>	<b>17,002</b>	<b>21,602</b>	

The numbers in the last column represent where end-of-year performance information has been reported for each appropriation administered by the Charter School Agency, as detailed below.

1. The Charter School Agency's Annual Report in Part 2

<sup>2</sup> These are the appropriations from the 2024/25 Supplementary Estimates, adjusted for any transfers under section 26A of the PFA 1989.

<sup>3</sup> The key for the numbers in this column is located at the end of the tables.

<sup>4</sup> A Multi-Category Appropriation (MCA) allows separate categories of departmental output expenses, non-departmental output expenses, departmental other expenses, non-departmental other expenses or non-departmental capital expenditure to be grouped together in one appropriation, provided all the categories contribute to a single overarching purpose.

Statement of Departmental Capital Injections

for the year ended 30 June 2025

Appropriation	Expenditure 2025 Actual \$000	Approved Appropriation 2025 \$000
Vote Education		
Charter School Agency Capital Injection	30	120

A breakdown of capital injections is provided in the departmental financial statements under Note 10 –Taxpayers’ Equity.

Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority

for the year ended 30 June 2025

There was no unappropriated expenditure for the year ended 30 June 2025.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF CHARTER SCHOOL AGENCY'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

The Auditor-General is the auditor of Charter School Agency (the Agency). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- The annual financial statements of the Agency that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in taxpayers' equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 48 to 61.
- The end-of-year performance information for appropriations of the Agency for the year ended 30 June 2025 on pages 11 to 26, and 32 to 39.
- The statements of budgeted and actual expenses and capital expenditure incurred against appropriation, statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Agency, and the statement of departmental capital injections for the year ended 30 June 2025 on pages 67 to 68.
- The schedules of non-departmental activities which are managed by the Agency on behalf of the Crown on pages 62 to 66 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2025;
  - the schedules of revenue; capital receipts and expenses for the year ended 30 June 2025; and
  - the notes to the schedules that include accounting policies and other explanatory information.

### **Opinion**

In our opinion:

- The annual financial statements of the Agency:
  - fairly present, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year ended on that date; and

- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- The end-of-year performance information for appropriations:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
  - fairly presents, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- The statements of budgeted and actual expenses and capital expenditure incurred against appropriation, statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Agency, and statement of departmental capital injections have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The schedules of non-departmental activities which are managed by the Agency on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
  - the assets, liabilities, commitments, and contingent liabilities and assets as at 30 June 2025; and
  - the revenues; capital receipts and expenses for the year ended 30 June 2025.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Chief Executive for the information to be audited**

The Chief Executive is responsible on behalf of the Agency for preparing:

- Annual financial statements that fairly present the Agency's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-year performance information for appropriations that:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents what has been achieved with the appropriation;
  - fairly presents the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- The statements of budgeted and actual expenses and capital expenditure incurred against appropriation, statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Agency, and statement of departmental capital injections have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the activities managed by the Agency on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Agency for assessing the Agency's ability to continue as a going concern.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

### **Responsibilities of the auditor for the information to be audited**

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement

when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate whether the end-of-year performance information for appropriations:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
  - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statements of budgeted and actual expenses and capital expenditure incurred against appropriation and statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority of the Agency and statement of departmental capital injections, and schedules of non-departmental activities have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive.



- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Chief Executive is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Agency in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Agency.



Stuart Mutch  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand



**Charter School Agency**  
Te Tari Kura Hourua

***With the child at the heart of what we do,  
we achieve better outcomes together***

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**Te Kāwanatanga o Aotearoa**  
New Zealand Government