N4L

DIGITALLY EMPOWERING EDUCATION

for a future-ready, world-ready,
Aotearoa New Zealand

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This Statement of Intent ("SOI") is submitted by the Board of Directors of The Network for Learning Limited ("N4L" or "the Company"), pursuant to the Crown Entities Act 2004. It sets out the strategic objectives and intentions of N4L for the period 1 July 2015 to 30 June 2019.

Helen Robinson
Chair
15 June 2015

Mark Yeoman
Deputy Chair
15 June 2015

WHAT N4L DOES AND WHY

N4L's Purpose and Scope

N4L's overarching objective is to help facilitate a continuous improvement in educational outcomes for all New Zealand children, which in turn will contribute to New Zealand's economic performance. N4L is the catalyst for equitable and maximised use of technology for every learner.

The Company delivers significant benefits to educators and their students by enabling consistent, modern, technology-embedded, learning opportunities. At present, the Company is achieving this by the provision of a growing managed technology stack, a collaborative online platform called Pond, and other innovative solutions.

Working with education and technology sector partners, N4L's activities are designed to encourage learners to leverage all the benefits to be derived from digital learning. Through ensuring that all young people have access to high quality networks, platforms and services for learning, no matter where they live, N4L creates opportunities for students to make the most of the universe of digital learning opportunities available to them.

N4L is a Crown owned company incorporated on 2 July 2012. Ownership is held equally between two shareholding Ministers, the Ministers of Finance and Education, with governance by a Crown-appointed Board of Directors.

The Company's Constitution

The purpose of the Company is to establish and operate a student-focused network that offers schools and kura access to predictable and fast internet with uncapped data, web filtering and network security services to help schools create a safe online environment for their students and staff, and internet based content and services over a dedicated network.

The Company will pursue its stated purpose while:

- operating in a financially sustainable manner
- operating in a way that minimises risk to the Crown, and
- operating in such a way that it:
  - provides services that enable best practice learning and teaching, supporting student achievement
  - is responsive to the needs of schools, kura, teachers, students and their whānau
  - engages directly with the education sector and Government agencies including establishing any advisory groups which may assist its purpose
  - supports the delivery of the New Zealand curriculum and Te Marautanga o Aotearoa
  - contributes to the efficient administration of schools and kura
  - supports the implementation of Government policy, and
  - is flexible enough to respond to emerging challenges and opportunities caused by developing technological change

N4L's constitution requires it to balance both commercial objectives and Government policies and priorities for education.

Commercial Objectives

N4L is expected to operate in a financially sustainable manner within its operational budget. The Company is focused on efficiency, effectiveness and a 'fit for purpose' organisational structure.

N4L is not expected to generate a surplus from its transactions with the education sector.

N4L's Activities

N4L advances Government's goals in the areas of education and infrastructure. By leveraging the Government's investment in Ultrafast Broadband (UFB), N4L offers a substantial contribution to the achievement of Government's goals for the education system.

The Company also reflects an efficient and effective expenditure of Crown funds. N4L offers services across the education system that are high value and targeted to increase the ability of the education system to raise achievement for young New Zealanders.

N4L is meeting the needs of New Zealand's education sector in four main areas, which link back to the expectations set out in the Company's constitution:

1 Partnering with other education agencies to develop innovative solutions to advance Government's education policy objectives and priorities

2 The provision of Managed Technology Services, based around the N4L Managed Network, which includes related services such as web filtering, firewall services, performance monitoring, and a helpdesk service

3 Delivering Platform Services – services building on N4L's Pond platform to address specific areas of need in the education sector, and

4 Engaging with the education sector to help lead the direction of the service to best fit their needs as educators. To drive a step change in educational outcomes using technology enabled services, we have to ensure our customers are with us on that journey

N4L has an agile and lean team which is accountable for carrying out these activities both cost-effectively and efficiently.

N4L is committed to supporting the raising of educational achievement for, and with, Māori and Pasifika learners. N4L's strategy has three strands, which align closely with N4L's overarching strands of work:

- Ensure the equitable delivery of connection of lower-decile and Māori medium schools to the Managed Network

- Develop support for the use of platform services in Te Reo Māori, and engage with Māori and Pasifika groups to facilitate the use of Pond to share and collaborate

- Work with education sector partners to support cross-sector strategies like Ka Hikitia and the Pasifika Education Plan

N4L'S STRATEGIC INTENT

Education Sector Context and Outcomes

N4L works closely with the group of government education agencies. The agencies are:

- Ministry of Education
- Education Review Office
- New Zealand Qualifications Authority (NZQA)
- Tertiary Education Commission (TEC)
- Careers New Zealand
- Education New Zealand, and
- New Zealand Teachers Council

As a sector, the agencies are committed to the goal of making the education system a major contributor to social and cultural participation and wellbeing, and economic growth and prosperity.

N4L also works with peak bodies across the education sector, including NZEI Te Riu Roa, New Zealand Post Primary Teachers' Association / Te Wehengarua, The New Zealand Principals' Federation / Nga Tumuaki O Aotearoa, Secondary Principals' Association of New Zealand Inc and New Zealand School Trustees Association / Te Whakaroputanga Kaitiaki Kura O Aotearoa. N4L has close collaborative relationships with a number of other bodies including NetSafe and Creative Commons.

The education sector is committed to the Government's Better Public Services (BPS) programme. N4L operates in the schooling environment, meaning that BPS target 5 is relevant to N4L's work. This target is:

- 85% of 18 year-olds achieving the National Certificate of Educational Achievement (NCEA) at Level 2 or an equivalent qualification in 2017

The Ministry of Education is the lead agency for this target.

N4L is also supporting the BPS target 10 of 70% of all New Zealanders' most common transactions with Government being completed in a digital environment by 2017.
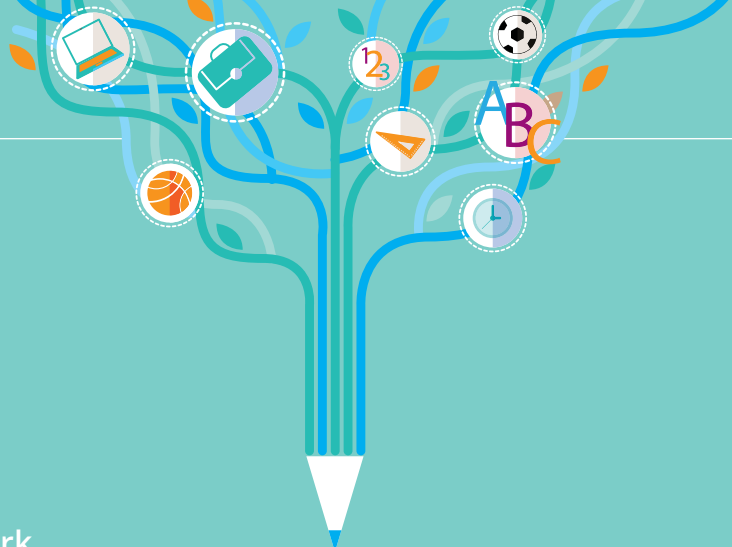
N4L's Outcomes Framework

EDUCATION SYSTEM OUTCOMES Outcomes are the impacts on, and consequences for, the community resulting from the existence and operations of the entity	**THE EDUCATION SYSTEM IS A MAJOR CONTRIBUTOR TO** Social and cultural participation and well-being, economic prosperity and growth
N4L OUTCOMES AND VISION Outcomes are the impacts on, and consequences for, the community resulting from the existence and operations of the entity	**DIGITALLY EMPOWERED EDUCATION FOR A FUTURE-READY, WORLD-READY, AOTEAROA NEW ZEALAND**
IMPACT OF N4L SERVICES Impacts are the contributions made to an outcome by a specified set of outputs, or actions, or both	Provide all students with equitable access to fast, predictable internet Provide a safe and stable infrastructure for teachers, learners and education agencies Enable schools to teach effectively and learn with digital technologies Support teachers to raise student achievement
N4L INITIATIVES Key initiatives outline the work underway to deliver enhancements to services that contribute to the achievement of impacts and outcomes	NZQA, digital literacy and other partnerships Continuous innovation in the delivery, operation and use of N4L's Managed Network Online events to connect learners and subject matter experts, to engage and to inspire Māori and Pasifika strategy
N4L SERVICES AND OUTPUTS Outputs are the goods and services produced by an entity to support the achievement of its impacts and outcomes	Provision of the N4L managed technology stack / Provision of Platform Services / Partnership for innovation with the education sector Priority and focus on customer satisfaction and benefits realised to all users

Innovation for and Alignment with the Education Sector

The 2015/16 Letter of Expectations indicates potential new digital literacy initiatives for N4L to include in its strategy. N4L will work with the Minister, the Ministry of Education (the Ministry) and the education sector to ensure these are delivered effectively.

A strong partnership with the Ministry is of critical importance to the achievement of N4L's goals for the education sector; a partnership that makes best use of the differing roles and areas of expertise of the two agencies. N4L will leverage its expertise to help the Ministry to determine how potential technology innovations can support effective teaching and learning. N4L will also work with the Ministry to build further on its network and platform technologies to meet the needs of the education sector, leveraging N4L's ability to quickly and efficiently deliver high-quality, fit-for-purpose products.

N4L is also forming strategic partnerships with other education agencies to support Government's goals around raising student achievement.

N4L is actively pursuing opportunities with a number of government agencies regarding the use of Pond as a platform for those agencies to reach schools, teachers and learners. NZQA and N4L have recently entered into a formal partnership, to support NZQA's advancement of digital moderation and assessment.

Key elements of this partnership include:

- NZQA will curate Buckets of pooled resources for each Achievement Standard (AS). This means that online resources designed to help students achieve that standard will be grouped into that AS Bucket (a Bucket is a group of online resources)
- Teachers will be able to use Pond to facilitate moderation. Participants will be able to organise and manage the exchange of moderation material online and they will be notified online when the moderation process is underway or complete. It is also viewed as another step in the direction of NZQA digitising more of its systems, including its commitment to provide all assessment digitally by 2020

NZQA is one of the cornerstone content and service providers with whom N4L is partnering to transform the ways that teachers and students use and benefit by technology-enabled services.

As this is a new area of work from 2015/16 onwards, N4L anticipates that work in this area will be funded on the basis of recovery of both direct and indirect costs from partner agencies.

How N4L will assess its performance

As these new initiatives are in the scoping stages KPIs will be defined for each initiative at the appropriate time.

Managed Technology Services

The Managed Network provides schools with fast and predictable internet, with uncapped data, web filtering, and network security services. This includes firewall services, performance monitoring, and full helpdesk support. State, state-integrated and partnership schools are funded for their connection packages.

Research conducted prior to building the Managed Network suggests that the Government's decision to invest in this area is world-leading, (its design does not exist within any other sector of New Zealand), and the implementation process may be a world-first.

Prior to the Managed Network, schools procured internet services individually, receiving limited benefits and guidance from ICT providers. For example, many schools had to schedule student internet use to avoid bottlenecks. N4L's Managed Network allows teachers and students to enjoy a trusted online teaching and learning experience. Teaching and learning is more seamless when a school's internet performs at consistent, predictable speeds. The Managed Network means that fluctuating internet speeds and bottlenecks are no longer a problem for schools. It improves the experience of viewing rich media content, like videos, and using interactive educational resources.

In addition to fast and predictable internet, schools using the Managed Network benefit from reduced ICT complexity. They can spend more time and resources on teaching and learning while their technology

infrastructure is centrally managed by N4L. Through centralised procurement, N4L also considerably reduces ICT complexity and potential cost for schools.

The rollout of the Managed Network began in November 2013 when Massey Primary School became the first school connected and has continued at a faster than expected rate. As at the end of June 2015, around 1800 New Zealand schools were connected to the Managed Network, almost three-quarters of schools.
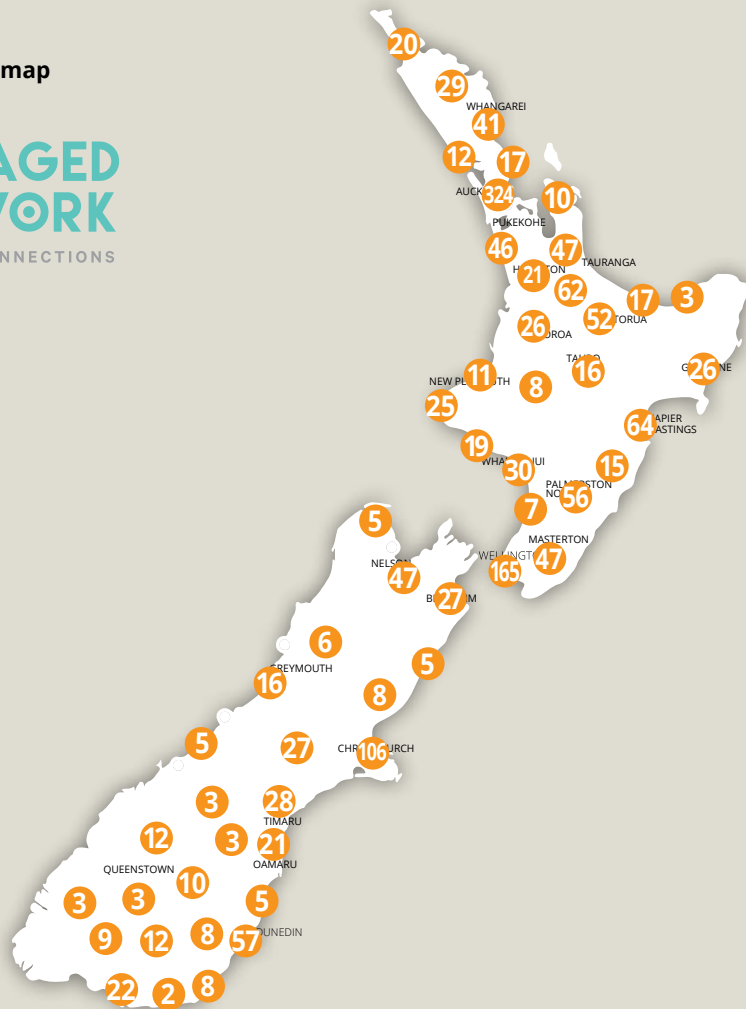
On establishment, N4L set itself four milestones for connections to the Managed Network. N4L has met and exceeded all of these milestones:

1 14 schools connected by 2 December 2013 (target of 2 **achieved 29 November 2013**)

2 55 schools connected by 8 January 2014 (target of 20 **achieved 6 December 2013**)

3 246 schools connected by 10 March 2014 (target of 200 **achieved 26 February 2014**)

4 and 70% of schools to be connected by 31 December 2016 (target of 1800 **achieved June 2015**)

Connection map

MANAGED NETWORK

TRUSTED CONNECTIONS

20
29
WHANGAREI
41
12
17
AUCK 324
10
PUKEKOHE
46
47 TAURANGA
H TON 21
62
17 3
26 ROA 52 ORUA
TAUPO
NEW PL TH 11
8
16
G NE 26
25
APIER 64
HASTINGS
19
WHA UI
30
15
PALMERSTON
N 56
7
MASTERTON
5
WELLINGT 47
NELSON
165
47
B IM 27
6
GREYMOUTH
5
16
8
5
27
CHR URCH
106
28
TIMARU
3
12
3
21
QUEENSTOWN
OAMARU
10
3
3
5
9
12
8
57 UNEDIN
22
2
8

Rollout of the Managed Network

Despite its complexity, the rollout of the Managed Network is continuing at pace. The original objective of connecting 700 schools by the end of 2014 was considered ambitious. However by this time N4L had already connected 1,232 schools, and by early February 2015 the halfway mark was reached.

More than 560,000 students and teachers from more than 1,800 schools are now using the Managed Network, with 2,441 schools registering their interest in joining the Managed Network when they are able to.

There have been a number of factors contributing to the successful rollout of the Managed Network:

- N4L has ensured the right people are managing and executing delivery. These people are technologically experienced and commercially savvy, and believe in operating in a cultural environment in accordance with the Company's core values
- The right strategy and nimble plan (and balance around risk) has been implemented and the business held accountable by its directors
- A rigorous and robust process of selection, insight and management of delivery partners
- A real focus on each customer, communicating and meeting expectations

Key to the success has been the Company's collaborative, progressive and tailored approach to the development and rollout. School connection packages are designed with growth in mind. There is no 'one size fits all' approach as every school is different.
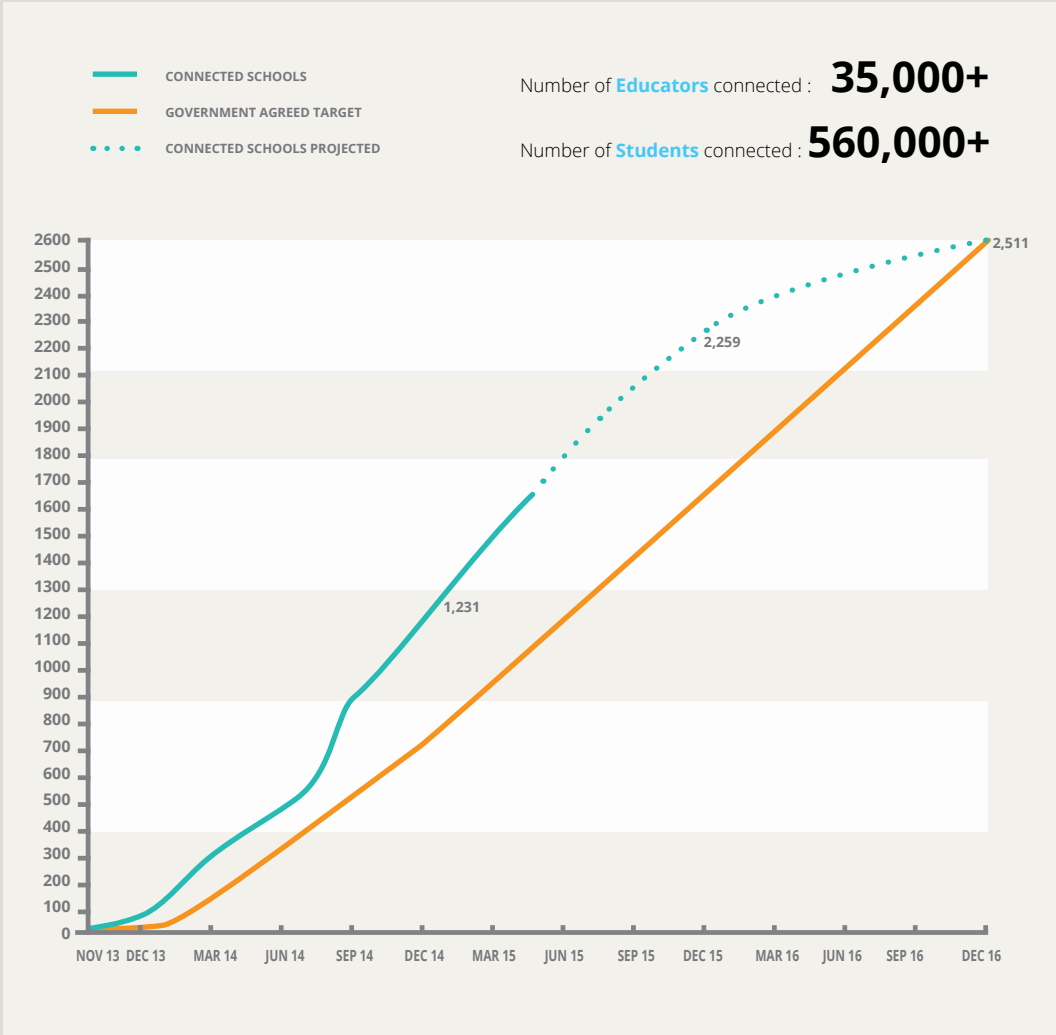
The progressive rollout is focused on the importance of getting it right, ensuring the right levels of support are in place (on site and via the helpdesk) to seamlessly transition schools and help them get the most from their IT infrastructure. N4L also appointed a panel of IT support companies which use their skills, local knowledge and track-record of working successfully with schools to assist with the rollout.

Further, the Managed Network is now supporting Point England School's community digital hub, which provides students and teachers with more educational opportunities beyond the traditional confines of the school gates.

Over the course of 2015-2016, the Managed Network rollout will continue, with goals of 90% of schools connected by the end of 2015, and 95% completed by the end of the financial year. We anticipate that all schools will be connected to the Managed Network by the end of 2016.

The rollout has been designed to ensure that schools are not disadvantaged by geographic location or decile.

Managed Network rollout progress

CONNECTED SCHOOLS
GOVERNMENT AGREED TARGET
CONNECTED SCHOOLS PROJECTED

Number of **Educators** connected : **35,000+**

Number of **Students** connected : **560,000+**

2,511

2,259

1,231

NOV 13	DEC 13	MAR 14	JUN 14	SEP 14	DEC 14	MAR 15	JUN 15	SEP 15	DEC 15	MAR 16	JUN 16	SEP 16	DEC 16

Proactive support

Once a school successfully makes the transition to, and is using, the Managed Network, N4L's support continues through the N4L Helpdesk.

By providing support services exclusively to schools and through leveraging N4L's advanced monitoring technology, the helpdesk team has become attuned to the needs of their customers, ensuring proactive support and resolution, usually before a problem is identified by the school. If a school has experienced a problem, extra measures are put in place to ensure a resolution can be found and implemented without taking anyone from the school away from their primary tasks. The helpdesk proactively checks the health and performance of each school's connection, making sure potential issues are identified and quickly remediated.

N4L upgrades schools' network connections in response to changes in size, demographics, or digital technology use.

After each interaction with the N4L Helpdesk, customers are asked to rate the service on a scale that ranges from 'Very Satisfied' to 'Very Dissatisfied'. Feedback from the start through to May 2015 averages a 94% satisfaction rate ('Satisfied' or 'Very Satisfied' rating).

Innovation and sustainability

The ongoing success of the Managed Network is dependent on a continuous programme of innovation in the delivery of services, and investment in the development of new products and features. These are designed to both enhance the quality of the services N4L delivers and ensure we remain at the leading edge of network-based services for the New Zealand education sector.

This development of new products and features, and the inherent experience and expertise of the N4L team, forms an important element of N4L's drive to 'future proof' the education sector's investment in technology. Some of the new products and features that leverage the expertise and intellectual property generated as part of the development of the Managed Network may include network management and monitoring services, mobile device management, and Voice over IP (VOIP) services.

N4L is focused on remaining flexible enough to respond to challenges and opportunities created by developing technological change. One example of this flexibility is the need to ensure that the Managed Network is a safe and secure environment for teaching and learning. The provision of this service to schools, in a seamless and transparent way, is a key part of the N4L value proposition.

There are a number of monitoring and scanning technologies that have been developed inhouse, including a recently-developed security dashboard, used for:

- monitoring auditing activity on the Managed Network
- managing unusual events on school router hardware
- tracking and tracing all unauthorised attempts to remotely access a machine or device from outside the network
- showing the origin of potentially malicious traffic that is likely attempts to compromise the network and devices on the network

- identifying the type of protocol or type of port an unauthorised user is attempting to use to gain control of a device
- identifying the countries most commonly being blocked from access to remote ports

The functionality being developed allows substantial threat identification and analysis to be undertaken centrally by N4L. Going forward, N4L will be well positioned to provide proactive network security services, helping lower risks for schools around the use of technology. Similarly, in the case of an attack, N4L will be able to respond both at a central level, and to provide targeted information to schools to support both responses to the attacks and subsequent actions to harden their networks.

To ensure the continued success of sector-wide digital transformation, the Managed Network rollout, management and programme of development will continue past the connection of the last school. N4L will keep innovating to maintain high levels of service while remaining abreast of technological change. N4L will also retain the capability to connect new schools to the Managed Network as they are created.

Over the course of 2015/16, N4L will develop a full strategy for the transition of the Managed Network from a build to an operating mode. At present, N4L makes significant effort around the processes of transitioning schools to the Managed Network. As the number of schools to be connected decreases over 2015/16, attention will be given to the systems and processes required for ongoing operation of the Managed Network.

How N4L will assess its performance

The Company has identified a number of metrics against which it will assess its non-financial performance around Managed Technology Services. These are as follows:

1 *Connection of schools to the Managed Network*
- Number of schools connected to the Managed Network

2 *Overall Managed Network experience*
- A lifecycle survey is being developed to be sent to schools, covering their ongoing experience and satisfaction with N4L. The principal and/or main contact at each school will rate their satisfaction with the performance of N4L in delivering the Managed Network and associated services

3 *Transition timeliness and satisfaction*
- The speed at which schools are successfully transitioned to using the Managed Network after the network connection is made available to them
- Schools' satisfaction with the performance of N4L in transitioning their school onto the Managed Network

4 *Helpdesk satisfaction*
- Schools' satisfaction in the helpdesk service provided by N4L

5 *Managed Network uptime*
- N4L contracts with schools contain agreed service levels for network uptime. N4L will measure delivery against these uptime service level agreements

Specific targets for the assessment of N4L's performance against these metrics are provided in the Statement of Performance Expectations.

Platform Services

Aligning with N4L's Managed Technology Services workstream is N4L's Platform Services (formerly Dynamic Services). The Platform Services workstream supports the provision of content, applications and services which leverage the Managed Network and enhance teaching and learning opportunities across New Zealand's education system, including the delivery and ongoing evolution of Pond.

Pond is an online learning hub where teachers discover and share learning resources, as well as connecting and collaborating with peers. The environment is designed to act as a central hub for digital discovery and participation, where educational resources can be accessed and shared easily and effectively. Pond addresses the challenges that educators face finding and accessing high quality learning resources. While there are mountains of resources available online to help with teaching and learning, much of this material can be challenging to find, access and reliably utilise in a classroom environment.

Pond has been designed to be a neutral and trusted space, where its content is populated and curated by its users, and where educators can comment and ask questions within a safe environment. All of Pond's content is curated by its user community, which currently includes more than 9,000 teachers, as well as more than 300 organisations providing resources and services for the education sector. Over 2015/16, N4L will start to make Pond available to all 800,000 members of the school community (students, teachers, and administrative staff).

Subject to the availability of an appropriate identity and access management system, N4L expects to onboard a pilot group of students by December 2015. A progressive phased onboarding of students will occur in 2016.

One of the key features within Pond is a sophisticated search function allowing teachers to locate learning materials that are not easy to find using publicly accessible search engines, or may not be otherwise available. Teachers can find new resources, group them together into Buckets, upload lesson plans and other materials, as well as rate, review and share these items. They can also search for resources, Buckets, and learning materials saved to the profiles of their peers, and share their thoughts on resources within a thread underneath. Further, items can be searched by using the NZQA 'Achievement Standard' numbers. Because Pond members are able to review and comment on educational material, the site's in-built search engine can quickly guide users to the most relevant and highly rated resources.

Teachers can follow and connect with other teachers around the country who share a mutual interest or specialty teaching subject. They can share best practices and learn from their peers, growing their own knowledge and networks, and adding to the strength of the Pond community as a whole.

New features are frequently added and Pond is constantly evolving to meet the needs of its growing user base. Core features and functionality are developed based on feedback and guidance actively invited from the sector, from emerging web trends, and a programme of stakeholder engagement. Recent examples include Ka Pai/Bookmarks, the Q&A function

with the particular ability to ask other teachers questions, and aspects of Universal View.

As part of N4L's commitment to financial sustainability, the Company recognises the commercial value in both vendor access to Pond and in the intellectual property embodied in Pond. It is also understood that the current non-commercialised user experience is highly satisfactory for both education sector users and providers.

By September 2015, N4L will develop a balanced innovation and commercialisation strategy, in conjunction with its partners, for content and services, focusing on realising value from the Platform Services workstream, while also supporting the maintenance of a non-commercial user experience.

How N4L will assess its performance

The Company has identified a number of metrics against which it will assess its non-financial performance around Platform Services.

N4L will measure the performance of Pond over three dimensions: its popularity with its users, the value of the resource repository, and the patterns of Pond usage. The patterns of Pond usage provide a measure of the ways in which educators are using Pond.

1 *Educators using Pond*
  • Total number of educator accounts in Pond

2 *Pond resource repository*
  • Total number of user contributions to Pond

3 *Pond user activity*
  • Average number of Pond searches per active user per month
  • Average number of contributions made per active user per month
  • Average number of Pond page views per active user per month

4 *Pond commercialisation*
  • Development of an innovation and commercialisation strategy focusing on realising commercial value from Pond while supporting the maintenance of a non-commercial user experience

Specific targets for the assessment of N4L's performance against these metrics are provided in the Statement of Performance Expectations.

According to the 2015/16 Letter of Expectations, N4L may be required to adapt and/or add to the Platform Services strategy. New initiatives and resulting KPIs may be developed to reflect performance against expectations.

Love the Customer

Effective engagement with the sector has been critical to the smooth and expedient rollout of the Managed Network and the enthusiastic uptake of Pond. Schools appreciate the time the company takes to ensure they fully understand the services being offered, and that N4L's product is customised to individual school's needs.

N4L maintains its good relationship with the sector through sound business processes and a focus on rapidly responding to any identified concerns. Whenever the Managed Network experiences an outage (e.g. when fibre is cut), keeping schools informed through a wide range of communication channels about what has happened and the expected duration of the outage is a key priority.

The sector has responded both positively and enthusiastically to Pond and the number of teachers registering to use Pond grows every week. The partnership between NZQA and N4L has been enthusiastically received as educators appreciate the coming together of different initiatives reducing the number of interfaces in which they operate.

Engaging and consulting with priority learner groups remains a focus for the Company with strategies being developed for both the Managed Technology and Platform Services workstreams.

In recognition of the business of schools, N4L works hard to maintain a balance of keeping schools up to date and informed about the Company and not adding to workload through over-communication. The Company uses technology to ensure that the right people get the right messages at the right time.

The company has established an Advisory Group, comprising a cross-section representation of the education sector. The purpose of the advisory group is to provide N4L's Board and Executive team with timely and sector-relevant advice, insight and guidance. The Advisory Group meets four times a year with both the Board and the Executive team.

How N4L will assess its performance

The Company has identified a number of metrics against which it will assess its non-financial performance around customer service. These are as follows:

1 *Overall Managed Network experience*
  - Principal and/or main contact's level of satisfaction with N4L's performance delivering the Managed Network and associated services. A lifecycle survey is being developed to gather information on schools' ongoing experience and satisfaction with N4L

2 *Helpdesk satisfaction*
  - Schools' satisfaction in the helpdesk service provided by N4L

Specific targets for the assessment of N4L's performance against these metrics are provided in the Statement of Performance Expectations.

Financial Performance

N4L will measure its financial performance against the following high level targets:

- N4L will generate revenue as set out in the Prospective Statement of Comprehensive Income

- N4L will operate in a financially sustainable manner, ensuring that its operating expenses and any required capital expenditure are covered by its operating revenue and agreed shareholder funding

- N4L will plan to ensure that it has the financial resilience to transition to a competitive customer-funded business model without additional equity investment by the Crown

HOW N4L WORKS

Company Values & Behaviours

N4L is a hybrid organisation combining a private sector dynamism and innovation with a public sector commitment to service and the public good. N4L's vision for the Company is "Digitally empowering education for a future-ready, world-ready Aotearoa New Zealand". As a collective, N4L staff define themselves as a team of collaborative high performers and critical thinkers using their vocation to add value to the world.

N4L's values

Agile
Able to quickly meet new needs

Authentic
Consistently trustworthy

Brave
To go beyond natural comfort zones

Inspirational
Seeking to be inspired and being inspirational

Easy
For anyone to understand and use

Organisational Form

N4L was incorporated on 2 July 2012 under the Companies Act 1993. It is a Crown-owned Company, listed under Schedule 4A of the Public Finance Act 1989. N4L's operational mandate is provided by the statutory framework that applies to it, including (but not limited to) the Public Finance Act 1989, the Crown Entities Act 2004 and the Companies Act 1993. The Company is subject to certain provisions of the CEA and to the Official Information Act 1982 and the Ombudsmen Act 1975. The nature and scope of N4L's day-to-day operations are primarily governed by the Companies Act regime.

N4L's shareholding is 100% vested in the Crown. Its shareholders are the Minister of Finance and the Minister of Education in their capacity as Ministers, with each holding 50% of the issued share capital. The Minister of Education has delegated responsibility for all matters relating to N4L to Hon Nikki Kaye, Associate Minister of Education.

Governance

N4L is governed by a Board of Directors, appointed by its shareholding Ministers. The Board currently comprises the following eight non-executive Directors:

- Helen Robinson (Chair)
- Mark Yeoman (Deputy Chair)
- Jack Matthews
- Karen Poutasi
- Rick Shera
- Linda Tame
- Humphrey Wikeepa
- Martin Wylie

All decisions about N4L's operations are made under the authority of the Board. The Board is responsible for agreeing outputs with the shareholding Ministers and ensuring that shareholder expectations of N4L are met.

The Board currently has two standing committees: Audit and Risk; and Remuneration.

The Audit and Risk Committee assists the Board in fulfilling its responsibilities by providing recommendations, advice and information concerning its:

- Accounting; financial and statutory reporting; and responsibilities under the Companies Act 1993 and other legislation, and

- Identification and management of all material risks, both financial and non-financial, including through the operation of a robust internal control environment

The Remuneration Committee assists the Board in fulfilling its responsibilities by providing recommendations, advice and information concerning:

- The Company's remuneration and human resources policies

- The performance and remuneration of the Chief Executive Officer, and

- The recruitment of members of the senior Executive team

N4L Executive Team

- John Hanna (Chief Executive Officer)
- Alexander Brown (Government and Stakeholder Relations Manager)
- Steve Hudgell (Programme Director)
- Jeremy Nees (Chief Technical Officer)
- Graeme Rayner (Chief Financial Officer)
- Andy Schick (Head of Marketing and Communications)
- Chris South (Head of Dynamic Services)
- Carolyn Stuart (Education Sector Lead)
- Gary Wicks (Customer Acquisition Manager)

Accountability

N4L is accountable to its shareholding Ministers. The Commercial Operations group of the Treasury assists shareholding Ministers in monitoring the Company's performance against the financial and non-financial measures set out in this SOI.

Shareholding Ministers and officials from the Ministry of Education and the Treasury are informed of all major activities, decisions and events on a 'no surprises' basis, in particular:

- Advice on the implications of N4L's decisions and actions for wider government policy issues

- Proactive and timely information on issues relating to N4L's activities that may be discussed in the public arena or that may require a ministerial response, and

- Briefings in advance of any major strategic initiative

When shareholding Ministers request specific information, N4L undertakes to provide it promptly.

The Company is committed to providing Shareholding Ministers, the Ministry of Education and the Treasury with information as required to enable timely responses to Parliamentary questions, routine Ministerial correspondence and Select Committee inquiries.

N4L is required to comply with the provisions of the Official Information Act 1982 (OIA). The Company will advise shareholding Ministers and relevant officials when a request under the OIA is received and of the proposed response.

N4L is committed to high levels of public accountability.

Managing Risk

To be successful in its role, N4L formally identifies and manages the internal and external risks that can impact delivery on its core outcomes and objectives. N4L's ability to manage in an uncertain and changeable operating environment requires an effective risk management framework, which was implemented in 2013 and is regularly reviewed to ensure this framework continues to highlight and manage key strategic risks.

N4L's Board and Executive team evaluate the Company's strategic and emerging risks, and ensure that Company takes appropriate actions to manage these. Included is Health and Safety in which N4L's Health and Safety committee operates to mitigate risks in this area.

The strategic risk register is a key component of the risk management framework. Risks identified are grouped into the following risk classifications:

• Delivery (including business continuity)

• Commercial

• Relationships with key customers and suppliers

• Compliance / Internal Control

• People (health and safety and retention)

For each risk the likelihood and impact (before and after mitigation) is assessed, and appropriate mitigations developed. This is regularly reviewed by N4L's Executive Team and the Audit & Risk Committee of the Board.

Crown Entities Act 2004 (CEA)

Some CEA provisions apply automatically by virtue of N4L being listed in Schedule 4A of the Public Finance Act 1989. These are:

• Section 133, which requires the Board to supply to its responsible Ministers any information relating to its operations or performance that the Ministers request;

• Section 134, which details good reasons for refusing to supply requested information;

• Sections 154-156, which relate to the preparation of the annual financial statements; and

• Section 158, which relates to bank accounts.

Sections 139, 150 and 153 of the Crown Entities Act, relating to preparing an SOI, Annual Report and Statement of Perfomance

Expectation respectively, were applied to the Company by Order in Council.

N4L's constitution also requires it to report to shareholding Ministers any activities which would be restricted under sections 161-164 of the CEA had those sections been applied to N4L by Order in Council.

Companies Act 1993

Under this Act the Board, each Director and each shareholding Minister have the rights, powers, duties, and obligations set out in the Act, except to the extent that they are negated or modified, in accordance with the Act, by the Company's Constitution.

Other statutory requirements

Under the Public Audit Act 2001, the Controller and Auditor-General is to be the auditor of the Company. The Company is also required to comply with the Public Records Act 2005.

Operations

N4L is required to operate within the functions, powers and constraints outlined above. Within this framework, the Company has considerable discretion in how it goes about its day-to-day operations.

N4L has the independence to make decisions as a Crown-owned Company, and has a robust framework for governance and accountability.

ORGANISATIONAL HEALTH, SAFETY AND CAPABILITY

Capability

During the period covered by the SOI, N4L will continue to develop its capability.

To do this, the Company will:

- Consistently develop the capability of its people and the quality of its systems and processes
- Manage the risks that could prevent it from delivering its work programme
- Ensure that the services it delivers are as cost effective as possible
- Ensure that its capital spending supports its essential capabilities
- Aim to achieve a high level of staff engagement
- Aim to achieve reliable and cost effective technology management and operating systems, and
- Maintain sound financial and governance systems

Good Employer

In its short existence N4L has established an open, trusted and collaborative culture. The N4L team are proud to be a part of such an important change in education, which will impact all New Zealanders. With a strong values base, N4L people are both empowered and accountable to deliver according to agreed expectations.

The key to N4L's success is the right people in the right roles.

The Company requires a diverse mix of technology, commercial and educational skills, and experience to meet the needs of its customers. N4L is implementing an effective recruitment, retention and people development process. The Company is focused on being a good employer and ensuring the attractiveness of N4L as a place to work. The Company is expected to comply with sections 116-119 of the Crown Entities Act 2004 (CEA). It does this by developing and operating personnel policies that are consistent with the principles of being a good employer.

How N4L will assess its performance

N4L will measure its progress in these areas by:

- Aiming to achieve 'good' ratings from audits of its management control environment, its financial information, systems and controls and its service performance information, systems and controls, and
- Regularly reviewing its progress and priorities with Ministers, and allocating resources to address changing requirements as required

Sustainability

N4L has funding commitments from the Crown sufficient to ensure the Managed Network can be sustainably delivered and N4L can meet its operational requirements.

N4L has developed several approaches to ensure the financial sustainability of the Company, as it transitions over the period from delivering the rollout of the Managed Network to the ongoing development and support of the Network. These include:

- Delivery of a market leading proposition through the provision of an affordable, safe and fast dedicated network to all New Zealand schools and kura

- Active development of financially sustainable Managed Platform Services that leverage and are complementary to N4L's Managed Network and that align and contribute to N4L's core objectives

- Ensuring all new initiatives are financially self-sustaining, and

- Ensuring the Company maintains an efficient, effective and 'fit for purpose' organisational structure

N4L actively monitors its business risks and has appropriate mitigation strategies in place.

Health and Safety

N4L has a formal plan in place to manage and mitigate risks around Health and Safety. This includes monthly Board reporting, an internal Health and Safety Committee, and a culture of identifying, reporting and managing hazards and risks.

This plan includes oversight and audit of N4L partners' Health and Safety plans and procedures to ensure these meet N4L's Health and Safety expectations.