



STATEMENT OF INTENT

2018 - 2022



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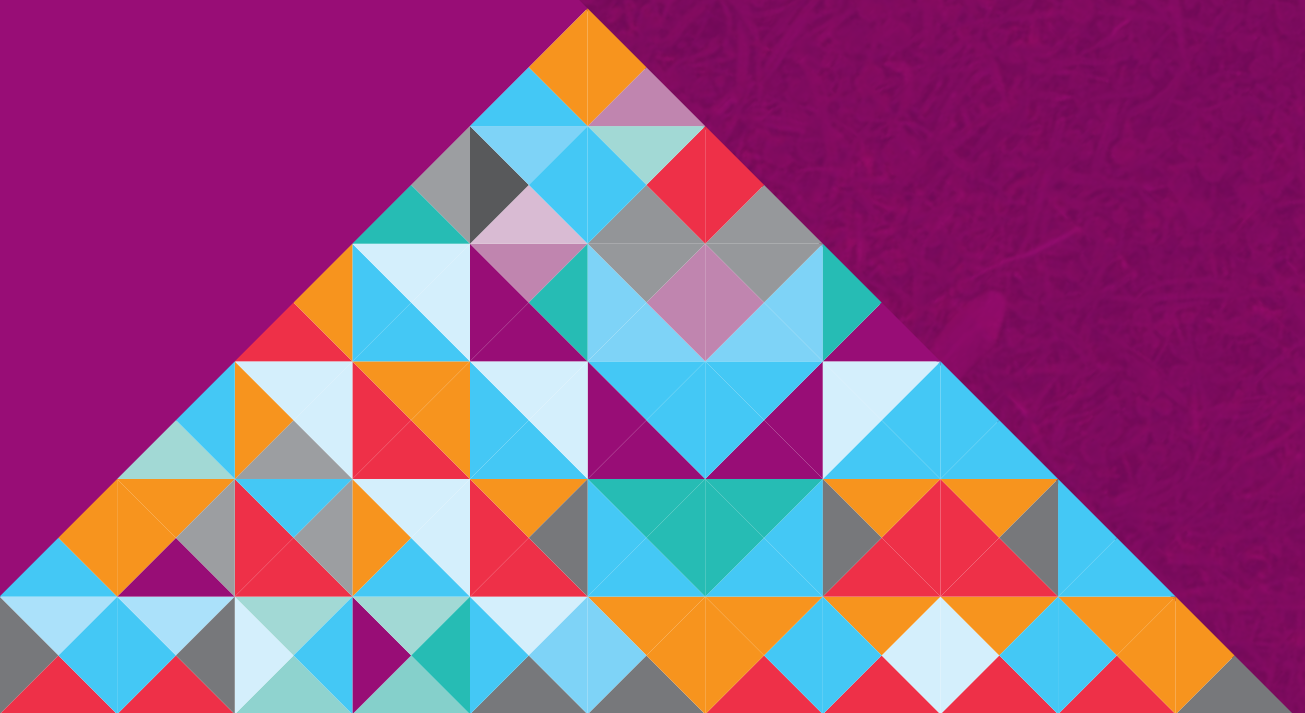
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“ Our ambition is to provide learners a safe and seamless online learning experience, regardless of where and how they learn. ”

Larrie Moore, CEO



INTRODUCTION

This Statement of Intent ("SOI") is submitted by the Board of Directors of The Network for Learning Ltd ("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 2018 to 30 June 2022.



Helen Robinson
Chair
12 June 2018



Mark Yeoman
Deputy Chair
12 June 2018



WHAT N4L DOES AND WHY

N4L's Nature and Scope

N4L was founded in the belief that equitable access to digital technology empowers young New Zealanders to succeed in education and will contribute to New Zealand's economic prosperity. This belief drives and motivates our staff, as we empathetically design and deliver digital technologies, helping to create a future-ready, world-ready Aotearoa.

Through the rollout of the Managed Network, N4L successfully connected Aotearoa New Zealand schools to ultra-fast broadband. N4L is now embracing the challenge to build on this achievement to enable further use of technology in education to deliver improved outcomes for learners.

Shareholding Ministers have set out their expectation that N4L will focus on delivering high value, high quality technologies for schools and agencies in the education sector, while ensuring operational efficiency and maintaining a tight control on costs. N4L works collaboratively with the Ministry of Education and our sector partners, to ensure N4L's services are aligned with the Government's policy objectives for education.

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 affordable, safe, fast broadband services, and internet based content and services over a dedicated network and to:

- (a) *operate in a financially sustainable manner;*
- (b) *operate in a way that minimises risk to the Crown; and*
- (c) *operate in such a way that it:*
 - (i) *provides services that enable best practice learning and teaching, supporting learner achievement;*
 - (ii) *is responsive to the needs of schools, kura, teachers, learners and their whānau;*
 - (iii) *engages directly with the education sector and government agencies including establishing any advisory groups as may assist its purpose;*
 - (iv) *supports the delivery of the New Zealand curriculum and Te Marautanga o Aotearoa;*
 - (v) *contributes to the efficient administration of schools and kura;*
 - (vi) *supports the implementation of government policy; and*
 - (vii) *is flexible enough to respond to emerging challenges and opportunities caused by emerging technological change.*

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.

As a schedule 4A Crown Company, N4L is not required to generate a surplus from its transactions with the education sector.

N4L's Activities

Government has made a commitment to making progress on the long term challenges facing Aotearoa New Zealand, including sustainable economic development, increasing exports, decent jobs paying higher wages, a healthy environment and a fair and good government.

N4L contributes to Government's goals in education by providing a shared infrastructure that enables equitable safe and fast access to the internet for all Aotearoa New Zealand state and state-integrated schools. Since completion of the Managed Network rollout in 2017, this shared infrastructure has connected almost all Aotearoa New Zealand schools. N4L works with its users and private and public partners to ensure that its offerings respond to their changing needs and the dynamic technology environment.

N4L believes that the long term direction of technology in education is toward deeper

connectivity, reflected in an evolution from connecting schools to connecting classrooms, and, over time, to connecting learners. In this context, N4L understands its current and future work to fall into three main areas:

- 1 Connected schools**, operating and enhancing the Managed Network to meet changing and growing customer needs, with a particular focus on the safety and security of learners
- 2 Connected classrooms**, building on Managed Network technologies and systems, to explore options of offering schools infrastructure, tools, support and resources that simplify technology management
- 3 Connected learners**, working with partners to explore new ways to connect learners and enhance equity of access to technology beyond the school gate and outside school hours.

N4L's current work is concentrated in the *Connected schools* area, with a focus on operating and enhancing the Managed Network. N4L is exploring opportunities in the *Connected classrooms* and *Connected learners* areas.

N4L will continue to support its education agency partners in their technology challenges, by contributing experience and expertise where appropriate.

N4L'S STRATEGIC OBJECTIVES

Ministerial Expectations

The Minister of Education has expressed a clear set of expectations for N4L, and N4L is committed to achieving all agreed outcomes, including the specific expectations set out in the Letter of Expectations.

Work Closely with the Ministry of Education

The Ministry is N4L's key partner in Government, and works closely with the Ministry to support achievement of policy goals, both new and existing.

- 1** N4L will continue to deliver a high quality Managed Network service and is developing a significant upgrade which will roll out in 2018/19.
- 2** In conjunction with the Education Infrastructure Service, N4L plans to develop and roll out a complete managed service - the Smart School - into the classroom, allowing seamless management of internal networks using the same technology that is used to guarantee the performance of the Managed Network.
- 3** N4L continues to contribute to the Ministry-led Equitable Digital Access programme. Drawing on the successful trial of wireless access to the Managed Network at home for students at the Haeata campus in Christchurch, N4L and the Ministry are developing further trials as well as plans for implementation at a national level.

Only Focus on Education in New Zealand

There are still many challenges across the education sector - with access to education and to education technology still limited for many by socio-economic status, ethnicity and geography. Recent announcements of significant changes across the education system also presents opportunities to work with education sector agency partners to support these reforms.

Deliver High Value Services and Reduce Costs

N4L is cognisant of the need to deliver continuous improvement in the delivery of services, which includes a consistent focus on value for money. N4L has placed a high degree of focus on cutting overhead costs in 2017/18 and has recorded a surplus for that year and is anticipating future surpluses.

Not Pursue Opportunities Outside New Zealand

N4L will not pursue opportunities outside education or outside Aotearoa New Zealand without prior approval from Ministers.

Education Sector Context

N4L works closely with the group of government agencies that make up the education sector. The agencies are:

- Te Tāhuhu o te Mātauranga / Ministry of Education
- Te Tari Arotake Mātauranga / Education Review Office
- Mana Tohu Mātauranga o Aotearoa / New Zealand Qualifications Authority (NZQA)
- Te Amorangi Mātauranga Matua / Tertiary Education Commission (TEC)
- Education New Zealand
- Matatū Aotearoa / Education Council of New Zealand
- Te Aho o Te Kura Pounamu - The Correspondence School

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. We also work across a wider range of government agencies, including DIA and MBIE, to support Government's broader digital inclusion goals.

N4L maintains positive relationships 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 / Ngā 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 the Connected Learning Advisory.

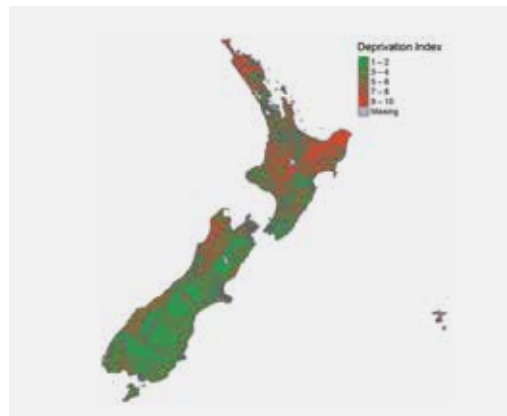
N4L's Vision and Four Year Goals

The challenge: deepening connectivity and addressing inequity

N4L has successfully connected schools across Aotearoa New Zealand to safe, fast and reliable internet. N4L is now rolling out the next generation of Managed Network technology to schools, and exploring opportunities to extend this further.

The Managed Network currently extends to the school, but we now must respond to the need of principals and teachers for their learners to have safe and seamless access to the benefits of the Managed Network inside the classroom and beyond the school gate.

Principals and teachers want, and N4L is committed to delivering, technology that "just works" for every learner, everywhere.





Source: New Zealand Deprivation Index and 2013 New Zealand census data¹

During the initial Managed Network rollout, N4L was focused on ensuring that connectivity was extended across deciles and rural and urban areas such that no learners were unfairly disadvantaged.

As N4L updates the Managed Network, we are aware that deprivation and lack of connectivity beyond the school gate still divides the country. N4L is committed to extending our reach to deliver safe and seamless internet access to every learner, everywhere.

N4L's Vision

FROM CONNECTED SCHOOLS TO CONNECTED LEARNERS



*Extending the
Managed Network to close
the digital divide for learners
across Aotearoa New Zealand.*

Our vision is based on the belief that providing technology services that “just work”, delivering an equitable experience to all learners, regardless of socio-economic status or geography, creates a shared foundation for school-level education in Aotearoa New Zealand. For N4L this means continuing to build our understanding of the needs of Aotearoa New Zealand communities. Of particular importance will be continuing to strengthen N4L’s capability to support Māori learners and educators, including supporting the use of te reo Māori through N4L’s services.

¹ Missing” refers to areas in which there were too few people to report the statistics publicly. Deprivation data are from the 2013 deprivation index: <https://www.otago.ac.nz/wellington/departments/publichealth/research/hirp/otago020194.html>, internet access data are from the 2013 census: <https://2020.org.nz/resources/digital-literacy-inclusion-research/#2013-census>

N4L has three four-year goals to realise our vision:

- 1** To update the Managed Network solution to continue to deliver safe and seamless internet access and meet the growing needs for capacity and security. The technology to upgrade the network is available today and N4L will roll out a major refresh in 2018/19
- 2** To deliver equity through the provision of a safe and seamless digital user experience to every classroom in every school. N4L's Smart School solution will provide schools with a technology environment that "just works"
- 3** To deliver equity through the provision of a safe and seamless digital user experience to all learners, regardless of income and geography. The Equitable Digital Access solution leverages N4L's investment in core filtering and network technologies, and will be delivered with partners, managed under the N4L umbrella. Learners will no longer be dependent on their location or socio-economic status to receive the resources needed for them to learn to their fullest potential.

The solutions outlined above will deliver clear benefits and outcomes for the education system:

- 1** Technology services are delivered with a focus on providing a safe, secure and seamless learner experience
- 2** The efficiency of education expenditure on technology is enhanced through simpler models of provision for schools

3 Principals and teachers are freed to lead and to teach, supporting the raising of student wellbeing and achievement

4 Equity of access to technology is enhanced through N4L offerings that respond to the challenges of the digital divide.

N4L Functions and Operations

Connected Schools

N4L successfully delivered the rollout of the Managed Network through a clear strategy focused on pulling in the right partners, commercial grade fibre and technology, and strong governance focused on delivering user outcomes. N4L is building on this success by investing in the evolution of the Managed Network through its Managed Network Upgrade project, which aims to ensure that users continue to receive a safe and secure service that "just works" for schools.

The Managed Network provides a safe and secure internet connection, while reducing complexity for learners in schools and freeing up resources for teaching and learning. The Managed Network, which makes up the majority of N4L's operations, is funded by government through the Ministry of Education.

N4L has been able to realise operational efficiencies within its current contractual arrangement with Spark, freeing up money to reinvest in Managed Network innovation and service improvements. These efforts

have included securing agreement to upgrade all schools to a minimum of 1 Gb for no additional cost.

N4L is also focused on managing its cost structures to maximise value for money for government's investment in the Managed Network. This includes exploring N4L's Managed Network contract with Spark to ensure that the contract remains fit-for-purpose, supports ongoing innovation, and delivers value for money.

Helpdesk

N4L's Helpdesk provides support to schools using the Managed Network. Through leveraging N4L's advanced monitoring technology, the N4L Helpdesk proactively identifies and resolves issues, usually before a school experiences a problem. If a school has experienced a problem N4L works with the school to resolve the issue, putting in place measures to minimise the impact on the school. In addition, the N4L Helpdesk proactively checks the health and performance of each school's connection, making sure potential issues are identified and quickly remediated.

As schools have become accustomed to ubiquitous, high-speed internet connections, expectations about how this will be supported have also grown. N4L is considering how its helpdesk offering needs to grow to meet changing user needs.

Managed Network Upgrade

N4L is currently developing the Managed Network. This upgrade is necessary in order to keep the Managed Network fit-for-purpose in terms of network infrastructure and products and services to meet both N4L's users' changing needs and evolving technologies. A key driver of this change is ensuring that web filtering can continue to function effectively in a rapidly evolving online environment.

N4L is looking to direct investments into feature-rich emerging connectivity and security solutions that focus on the needs of different school types. The Managed Network Upgrade programme is built around the core components of DNS filtering, web filtering security, and an optimised network connectivity layer. This reflects the priority that N4L places on the wellbeing of learners who are using the Managed Network and the trust our users place in our services.

To achieve this goal, N4L is working collaboratively with its partners, both Government and commercial, to deliver iterative improvements to the Managed Network. N4L's vision is that these improvements enable changes in classroom practice that deliver meaningful improvements in educational outcomes for all learners. Through this work N4L is focused on ensuring that the benefits provided by the Managed Network are equitably shared across Aotearoa New Zealand and that the Managed Network responds to the needs of Māori and Pasifika learners and learners with special education needs.

N4L has been working to identify opportunities

to invest efficiency savings in innovation and enhanced services to ensure that the Managed Network continues to meet current and future user needs.

2020 State

By 2020, N4L expects to have completed the upgrade to a universal, consistent and scalable Managed Network for all Aotearoa New Zealand schools, replacing the current assets and products across the school system.

Connected Classrooms - SMART SCHOOLS

N4L is exploring opportunities to help schools deal with their complex and challenging technology environments. This includes the viability of a service focused on helping schools manage their technology ecosystems, which N4L calls the "Smart School". For N4L this represents shifting the point of connection closer to the learner, moving from the school communications cabinet to the classroom.

Through its regular engagement with Aotearoa New Zealand schools, N4L has identified that many schools are struggling with their technology environment. Small schools (fewer than 100 students), who make up around a third of Aotearoa New Zealand schools, face particular challenges in terms of the people, knowledge, skills and financial resources required to deliver digital learning in their schools.

N4L's proposed solution, the Smart School, is a bundled set of infrastructure, tools, support and resources. The Smart School utilises N4L products and services, and a subset of affiliated services, to provide a "school's technology in a

box". In addition to providing a safe and secure internet connection, under the Smart School approach, N4L would manage all technology in a school. In doing so, N4L would assume the role of a Managed Service Provider in addition to its current role as an Internet Service Provider.

The Smart School aims to help school leaders and teachers focus on their area of expertise, teaching and learning, by allowing N4L to manage their technology ecosystem. This approach supports learner equity by delivering a complete digital technology solution that is available for all Aotearoa New Zealand schools.

N4L is testing elements of the Smart School model but any translation of this work into new products or services is contingent on shareholder agreement and any necessary funding arrangements.

The Smart School initiative has the potential to contribute to wider education system priorities by helping schools sustainably manage their ICT systems, providing better value from schools' spending on ICT and providing a better quality and more equitable technology experience for learners, an ambition strongly aligned with goals of the Ministry of Education's aspiration to "shape an education system that delivers equitable and excellent outcomes".

2020 State

Over the course of 2018/19, contingent on funding, N4L will pilot the Smart School concept and will conduct the planning and budgeting required for the full rollout. N4L's plan is to commence any larger rollout in the 2019/20 year.

Connected Learners

N4L believes that deepening connectivity in the education sector and addressing inequity of access requires exploring options for extending connectivity to learners outside of the classroom. Aotearoa New Zealand faces a significant digital divide and, while the Managed Network has created a level of equity for schools, there is now a need to explore options for extending this equity of access from the school into the community and out to the learner.

N4L is focusing on providing equity of access for learners across Aotearoa New Zealand, including supporting the Ministry of Education's Equitable Digital Access programme.

For N4L this involves working with its partners, which include the Ministry of Education, Spark, Chorus and other community and technology organisations, to test approaches aimed at extending learner access by adding functionality to the Managed Network. These efforts are aimed at future-proofing the Managed Network and bridging the digital equity gap.

These initiatives include pilots with the Haeata Community Campus and Te Awakairangi Access Trust to test extending Managed Network access out of the classroom and into the learners' homes.

The Prime Minister's Chief Science Advisor Professor Sir Peter Gluckman noted in his March 2018 report *A Commentary on Digital Futures and Education*²:

There is evidence [...] for a [...] 'digital divide' in New Zealand. Whereas over 90% of schools reported online learning occurring at school, the pattern was markedly different at home, with substantially higher proportions of students in more affluent (higher decile) schools than of students in low-decile schools reporting internet access at home. These differences appear to be exacerbated in Māori medium settings.

Haeata Community Campus Pilot

Part of the rebuild of Christchurch, Haeata Community Campus is the amalgam of local primary schools and Aranui High School, schools whose students' populations declined as a result of the 2011 earthquake. Haeata opened in January 2017 and draws students from some of Christchurch's lower socioeconomic areas and one of the most affected parts of the city from the earthquake.

Partnering with Chorus and Greater Schools' Christchurch Network, N4L began a student WiFi project to enable Year 13 students to have access to their learning beyond the school gate and into learners homes.

² <http://www.pmsca.org.nz/wp-content/uploads/18-04-06-Digital-Futures-and-Education.pdf>, paragraph 1.5

While this project will be of potential benefit to the Haeata community there are many other similar communities around Aotearoa New Zealand whose learners may also see an increase in their achievement if they were able to access the Managed Network in the same way. For this reason, the Haeata Community Campus pilot is underpinned with research aimed at understanding the effects of extending Managed Network access and opportunities to scale this approach or tailor it for other communities.

Te Awakairangi Access Trust Pilot

The Te Awakairangi Access Trust (TAKA) Trust, based in Northeast Lower Hutt, has secured funding to expand the safe and secure internet delivered to Rata Street School into students' homes. N4L and Chorus are supporting the TAKA Trust with identifying key challenges and testing an approach similar to that being used in the Haeata Community Campus pilot.

The TAKA Trust is made up of the Hutt Council, five Taita schools, corporate and private sponsors, and community volunteers. The Trust reports that around 45% of families in its community lack access to the internet. The work being explored by N4L and Chorus with the TAKA Trust represents another opportunity to explore approaches to addressing the digital divide. Arrangements are in the process of being finalised.

2020 State

Over the course of 2018/19, contingent on funding, N4L will collaborate with the Ministry of Education, Local Fibre Companies (LFCs), community groups and other organisations to

pilot extensions of the Managed Network. These will build on the learnings from both Haeata and the TAKA Trust projects.

Backing N4L's Sector Partners

N4L supports its education system partners by contributing its expertise to sector technology projects and policy discussions. In doing so, N4L aims to build the education system's capability to respond to complex technology issues by drawing on the experience and ways of working that are embodied at N4L.

Love the Customer

Fundamental to the success of N4L is our engagement with all customers. Schools appreciate the time the Company takes to ensure they fully understand the services being offered, and that N4L's products are customised to individual schools' 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), our key priority is keeping our customers - schools, and through them, learners, school leaders and teachers - informed through a wide range of communication channels about what has happened and the expected duration of the outage.

In appreciation that users of the Managed Network are focused on education outcomes and want technology that "just works", N4L works hard to maintain a balance of keeping schools

informed about the Company or ongoing matters, 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 takes its ethical responsibility and the trust held by our customers seriously. We know that our customers trust us with sensitive data, and we actively work to ensure we comply with all legislation around data. This includes keeping up to date with changing best practice as technology continues to develop. N4L will continue to ensure this level of trust is upheld.

The Company has a well-established Leadership Advisory Group, providing N4L's Board and Executive team valuable system-wide level insights. The Group meets with N4L four times a year.



How N4L will Assess its Performance

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

1 Managed Technology Services

Connections to the Managed Network

- Percentage of eligible schools connected to the Managed Network (eligible schools are defined as state schools, state-integrated schools and partnership schools);
- Percentage of schools which voluntarily disconnect from the Network for Learning;

Upgrades to the Managed Network

- Number of eligible schools (defined as state schools and state-integrated schools) receiving an upgrade to their Managed Network connection

Support timelines and satisfaction

- The number of minutes to acknowledge a service request – measured per month;
- Percentage of total calls taken;
- The number of minutes to resolve an incident – measured per month;

2 Love the Customer

The N4L experience

- Principal and/or operational contact at each state and state-integrated school satisfaction with the performance of N4L in administering the Managed Network and associated services;

3 Other business

- Any other Government contracts will be completed within budgets and to standards set out in Statements of Work.

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; and
- N4L will notify Treasury early if it expects material changes in its financial forecast.



HOW N4L WORKS

Company Values & Behaviours

N4L was established as a technology company, drawing many of its staff from the private technology sector. As such, and from the outset, the Company has maintained a high level of technology design and development capability, especially in the broader software and telecommunications areas. There has also been a significant management capability within the Company, with many of N4L's management group coming to their roles with track records reflecting significant leadership and management responsibilities.

Over the nearly six years of N4L's existence however, the Company has developed a number of further capabilities. These include:

- Complex problem solving in an education-specific context;
- Product design, development and integration;
- Developing a focus on being fast-to-market;
- Ability to roll-out complex solutions to many locations;
- Relationship and engagement management with schools and government agencies.

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.

Governance

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

- **Helen Robinson (Chair)**
- **Mark Yeoman (Deputy Chair)**
- **Jeremy Banks**
- **Jack Matthews**
- **Dr Karen Poutasi**
- **Rick Shera**
- **Linda Tame**

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 nonfinancial, 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 Leadership team.

N4L Leadership Team

- **Larrie Moore, Chief Executive Officer**
- **Alexander Brown, Deputy Chief Executive, Government and acting Head of Strategy and Planning**
- **Will Graham, Chief Operating Officer**
- **Gerald Masters, acting Chief Product Officer**
- **Heidi Stenhouse, Financial Controller**
- **Carolyn Stuart, Deputy Chief Executive, Education**
- **Susannah Winger, Head of Marketing**

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 nonfinancial measures set out in this Statement of Intent.

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.

The Company is accountable to its funder, via the Ministry of Education, for contracted deliverables around the Managed Network.

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 Leadership team evaluate the Company's strategic and emerging risks, and ensure that the 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; and
- People (health and safety, retention)

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

Crown Entities Act 2004

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 Minister's 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 Performance 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 Statement of Intent, 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

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.

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.

Financial 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 is focused on maximising the value for money of the Crown's investment as the Company continues to develop.

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:

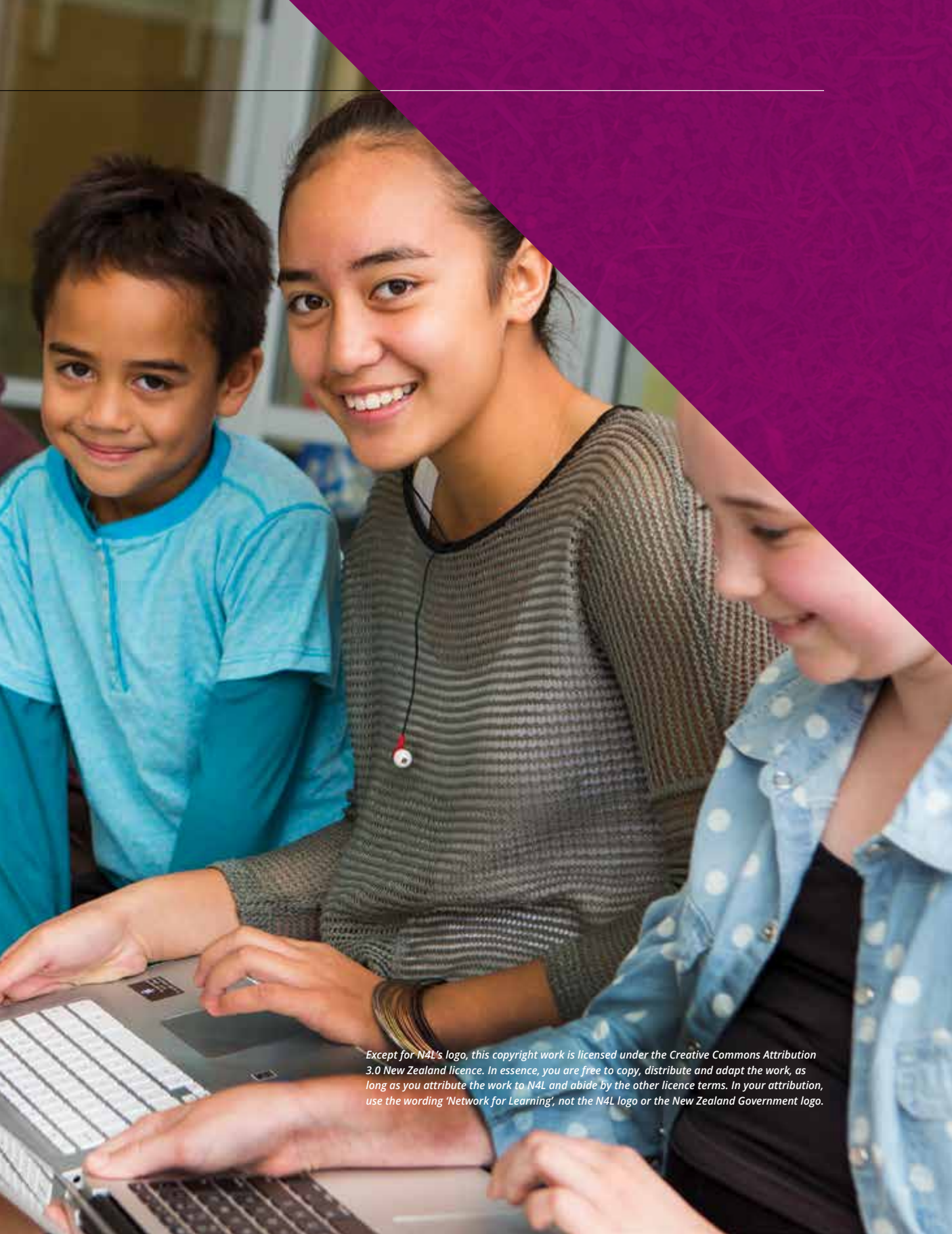
- Delivery of a market leading proposition through the provision of an affordable, safe and fast dedicated network to all Aotearoa New Zealand schools and kura;
- Active development of financially sustainable services that leverage and are complementary to N4L's Managed Network and that align and contribute to N4L's core objectives;
- Ensuring all new initiatives have a clear value proposition for our users and customers;
- Providing value for money for government's investment through ensuring that N4L's contracted supply arrangements deliver value for money and a focus on identifying opportunities for improving cost efficiencies and managing cost structures; 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

Health and Safety is N4L's primary priority, to keep our team, contractors and all partners and customers safe.

The Company has a strong culture of health & safety which is reported at Board level.

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.



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