STATEMENT OF PERFORMANCE EXPECTATIONS

FINANCIAL YEAR 2020/2021

PURPOSE

HELPING ALL TAMARIKI THRIVE IN TOMORROW'S WORLD

VISION

TO SUPPORT ALL TAMARIKI TO LEARN SAFELY ONLINE

STRATEGY

WE PUT YOU IN CONTROL WITH SMART TECH, SIMPLY DELIVERED SO YOU CAN FOCUS ON LEARNING

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ABOUT N4L

We support every student in Aotearoa New Zealand to have equal access to a safe digital environment to learn, regardless of where they live or go to school, contributing to increasing digital equity within the education system.

N4L is leading digital inclusion, with our Managed Network connecting 100% of eligible New Zealand schools and kura.

With close to 800,000 tamariki and 55,000 educators on the network, it is one of the largest networks of its kind in the world.

And we are building on our success in connecting the place of learning to the new possibilities offered by connecting the learner.

The digital environment is complex, risky and fast moving, but learners, whānau and teachers need technology that just works, so our networks and services are solid, reliable, scalable and easy to use.

Cyber threats are on the rise. As new technologies keep us more connected than ever, malicious actors also use these technologies to find new vulnerabilities to exploit. N4L blocks over 30 million threats a day to our network and the devices used on it, so we are continuing to add new technologies to respond to the ever changing cyberthreat environment.

To this task, N4L brings commercial and operational expertise, combined with a deep knowledge of technology, security and the needs of schools. Our relationships span the public and private sectors, from Wellington to Auckland to Palo Alto, CA and Redmond, WA and beyond. Most importantly, for N4L, the needs of our schools and tamariki always come first.

As we move into the post-Covid-19 world, it is clear that the rapidly-deployed remote learning infrastructure will need to be maintained and enhanced, supporting learners of all ages to work and learn in new ways. N4L is already supporting these efforts, and looks forward to leveraging our hard-earned reputation for high-quality products delivered across the country, as we move past the immediate rollout and into a world where the capacity for remote teaching and learning is the norm.

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.

**Nā tō rourou,
nā taku rourou
ka ora ai te iwi**

*With your food basket
and my food basket
the people will thrive*

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 teaching and learning, 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.

"We live in a connected world, and there are great learning opportunities available through the internet. At the moment our wireless infrastructure doesn't support us accessing what it has to offer. It's really disruptive to our learning when it stops working, and is frustrating to both teachers and students. We are really looking forward to N4L supporting us with establishing and maintaining a strong online connection. It means we'll be able to spend more time focusing on our students' learning without having to worry about managing and maintaining the technology."

Craig McDonald-Brown

Principal of Awakeri School, a rural full primary school 12km southwest of Whakatane

MAJOR ACHIEVEMENTS IN 2019/20

1 Market-leading customer satisfaction

Maintained our **90%+ customer satisfaction rating** with schools and kura since launch.

2 World-class learning environments

Delivered a bandwidth upgrade for 1,800 schools and kura, **providing tamariki with the highest bandwidth per user in Australasia**.

Supported NZQA to deliver **NCEA online exams** in 134 secondary schools.

Provided **support to schools and kura for aging wireless and access point network equipment** installed as part of the two recent Schools Network Upgrade Programmes (SNUP and wireless SNUP), prior to replacing that equipment in the coming years.

Began working with the Ministry of Education on a multi-million dollar **Network Hardware Replacement program.** This involves the design, installation and ongoing management of new WiFi6 LAN networks, replacing up to 38,000 aging wireless access points and 14,000 switches across schools and kura.

Established and contracted a national and regional Information and Communication Technology (ICT) and Installer panel to perform installation and/or ICT work across NZ schools and kura on behalf of N4L. The panel consists of 19 installers and 10 ICT panel members.

Delivered school network user identity and realtime reporting to support safer online behaviours, digital citizenship and pastoral care.

Developed secure API access to school property environmental sensor data and metrics to support the Ministry of Education Quality Learning Environments (QLE) initiative (which monitors school environments to ensure that they are healthy and optimal for learning).

3 Safer digital inclusion

Delivered and launched a safety filter, that resides on the device, for all tamariki, so they can be safer online regardless of where they connect to the internet.

Delivered a secure remote access solution to enable teachers and school administrators to access their school network safely from home.

Delivered a 4G service to enable teachers and learners to access the internet securely wherever there is mobile coverage with the same protections they get on their school network.

Delivered and piloted a Fibre to the Home service that enables tamariki to securely access the internet wherever there is fibre or copper connectivity with the same protections they get on their school network.

MAJOR INITIATIVES

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 tamariki. In this context, our current and future work falls into three main areas.

COVID-19

N4L is providing support to the Ministry of Education in response to COVID-19. This currently includes extending N4L's helpdesk service to provide support for households to configure newly-provided Ministry devices or modems, and making available a device-based internet safety filter for students who are learning away from school.

In the post-COVID world, there may be a larger role for N4L. When children need to learn online, and away from their schools, it is important that there is equitable access to a safe and secure remote learning infrastructure. N4L has already developed a number of component parts to this digital infrastructure and sees possibilities in developing these further.

Connect - all tamariki, anywhere

World-class connectivity and security for schools and kura

N4L's Managed Network connects 100% of eligible New Zealand's schools to a safe and secure, high-speed internet connection. With close to 800,000 tamariki and 55,000 educators on the network, it is the largest network of its kind in the world.

We're always looking to make sure the Managed Network is future-proofed. This covers cyber safety and cyber security, as well as increased bandwidth to support the online learning needs of every school and kura. With rapid growth in online digital learning, increased bandwidth helps offer a robust digital experience to tamariki now and in the future.

Supporting learning beyond the classroom

Tamariki without internet at home don't have the same learning opportunities as the ones that do. That's why we are supporting the Ministry of Education's Equitable Digital Access for Students initiative. This initiative will provide N4L's filtered school internet services to the end device, so they can continue their learning in the same safe and secure environment at home with their whānau.

Technology and user trials are live and the schools involved are Te Akau ki Papamoa Primary School (Tauranga), Murupara Area School (Bay of Plenty), Rātā St School (Wellington) and Haeata Community Campus (Christchurch).

Protect - all tamariki, anywhere

Investing to stay ahead of cyber threats

Cyber threats are on the rise globally, with the education sector a primary target. As new technologies keep us more connected than ever, malicious actors also use these technologies to find new vulnerabilities to exploit.

To help meet these expanding cyber security threats, we completed an upgrade of our Managed Network in 2019, and are continuing to add new cyber security technologies to respond to the ever changing cyber threat environment. With centralised management and control, the upgraded network delivers significantly greater capability to detect and protect against cyber crime. It's automatically configured to block access to harmful material such as child abuse, pornography, extremism and self-harm, plus as a smart network, it evolves to meet the growing concerns of cyber security and safety. And while no network can be 100% safe, we work alongside CERT NZ, ERO, NZSTA and Netsafe, who educate schools on cyber safety and cyber security.

Support - their teachers to be teachers

Smarter management and reporting

To help schools and kura manage their online environment, the team at N4L have developed a smart and simple user reporting tool. It provides safety insights to help identify at-risk users, e.g, those trying to access harmful material such as

self-harm sites, and security insights that identify devices which have been infected by viruses and malware. The tool provides trend data on user behaviour and content consumption patterns, as well as key metrics on internet performance.

We are engaging with the schools and government to ensure that we are aware of, and cover any data privacy and security concerns in addition to the stringent measures already in place.

It just works

We have worked closely with the Ministry of Education to support schools with expiring warranty and support contracts for their internal wireless networks. We did this by providing an extended warranty and renewal of wireless licenses for equipment originally provided through other Ministry programmes of work known as the School Network Upgrade Project (SNUP) and Wireless School Network Upgrade Project (WSNUP).

We're also providing centralised wireless infrastructure, removing the need for onsite equipment and further simplifying school internal networks so they can focus on teaching and learning.

Finally, we have commenced an upgrade programme on behalf of the Ministry of Education, replacing the original SNUP and WSNUP equipment in the schools and kura with WiFi 6 equipment, the latest evolution of wireless technology providing greater signal range, faster data transfer rates and lower energy costs.

MAJOR INITIATIVES

Digital inclusion and digital equity

N4L is working to reduce digital inequity and increase digital inclusion in a number of ways, including but not limited to:

1 **Providing 800,000 learners and 55,000 teachers with a safety filter** for their device that blocks the worst of the web.

2 **Enabling the Government's program of support for the 145,000 learners without a device and 85,000 households without internet by:**

A Providing a **stand-alone helpdesk to support 145,000 learners** to connect their Ministry provided device to the internet and their learning applications.

B **Supporting four projects to extend network access outside the school.** These Equitable Digital Access projects are in place at Te Akau ki Papamoa Primary School (Tauranga), Murupara Area School (Bay of Plenty), Rātā St School Naenae), and Haeata Community Campus (Christchurch).

C Working with Farmside to provide a Ministry-funded **fixed wireless connectivity solution to 3,200 of the most remote households in Aotearoa**. These households would otherwise be unable to access the internet, limiting the ability of their children to learn online.

3 Working with partners to **enable safe, secure and robust connectivity to the internet to rural New Zealand**, Great Barrier Island, Stewart Island, and the Chatham Islands, using the same Managed Network technology that is deployed across all other New Zealand schools and kura.

HOW N4L WILL ASSESS ITS PERFORMANCE

Non-Financial performance

N4L has identified a number of key metrics against which it will assess its non-financial performance.

These are as follows:

Safe & Secure Managed Network Services

The Safe & Secure Managed Network offers schools fast and predictable internet with uncapped data, web filtering and network security services. This also includes firewall services, filtering services, performance monitoring and full helpdesk support.

Connections to the Managed Network

Key Metric	Performance to date (2019/20)	Target (2020/21)
Percentage of eligible schools (defined as state schools and state-integrated schools) connected to core Managed Network services.	Q1: 99.8% Q2: 99.9% Q3: 99.9% Eligible schools connected to the Managed Network (2457 connected out of 2458 eligible)	99.9%
Percentage of schools that voluntarily disconnect from N4L.	0.0%	Less than .5%

HOW N4L WILL ASSESS ITS PERFORMANCE

Support Services timelines and satisfaction

Key Metric	Performance to date (2019/20)	Target (2020/21)
The number of minutes to acknowledge a service request (measured per month).	Q1: 88% Q2: 88% Q3: 88%	80% of all requests under 8 Support Hours
Percentage of total calls taken.	Q1: 90% Q2: 92% Q3: 90%	At least 85%
The number of minutes to resolve an incident (measured per month).	Q1: 95% Q2: 95% Q3: 92%	P1: 85% less than 4 Support Hours P2: 85% less than 8 Support Hours P3: 85% less than 16 Support Hours P4: 85% as agreed

Safety and Security

Key Metric	Performance to date (2019/20)	Target (2020/21)
N4L will establish and operate a Security Operations Centre (SOC).	New measure.	SOC established by 31 December 2020. SOC operated in compliance with agreed service levels.
Comply with all recommendations from the National Cyber Safety Centre.	New measure.	Compliance with all recommendations.

Network Service Extension

Key Metric	Performance to date (2019/20)	Target (2020/21)
School licenses renewed before expiry based on the Ministry-provided list.	New measure.	Target as set out in SoW achieved.

Network Hardware Replacement

Key Metric	Performance to date (2019/20)	Target (2020/21)
Number of schools' hardware replaced.	New measure.	Target as set out in SoW achieved.

Identity and Reporting

Key Metric	Performance to date (2019/20)	Target (2020/21)
Number of schools provided with identity and reporting services.	New measure.	Target as set out in SoW achieved.

A number of these targets are dependent on the finalisation of Statements of Work (SoWs) with the Ministry of Education. The targets will be discussed and agreed in that context, and N4L will report against them in its regular reporting.

HOW N4L WILL ASSESS ITS PERFORMANCE

Customer satisfaction

N4L recognises that it is critical that all tamariki and schools have excellent, second-to-none service delivery.

The N4L customer experience

Key Metric	Performance to date (2019/20)	Target (2020/21)
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.	95% *(*Survey results still to be finalised)*	90% 'satisfied' or 'very satisfied' response from respondents.

Other business

Key Metric	Performance to date (2019/20)	Target (2020/21)
Any other Government contracts will be completed within budgets and to standards set out in the Statements of Work.	100% of targets met.	100% of targets met.

Financial Performance

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

- N4L will generate income 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 income and agreed on shareholder funding; and
- N4L will notify the Treasury early if it expects material changes in its financial forecast.

EXPECTED REVENUES AND PROPOSED EXPENSES

Sources of income

The Company expects to receive income from:

- Providing Safe & Secure Managed Network services and Support services to state and state-integrated schools, as set out in statements of work with the Ministry of Education, including the following new enhancements:

  - WAN and LAN Helpdesk;

  - Security Operations Centre;

  - Identity and Reporting;

  - Secure Remote Access; and

  - Universal internet filter for all devices.

- New statements of work with the Ministry of Education, including in respect of:

  - Network Support Extension services; and

  - Network Hardware Replacement services.

- Providing Safe & Secure Managed Network services and Support services to Independent Schools.

The Company may also receive additional income from other government contracts as agreed with the Ministry of Education.

EXPECTED REVENUES AND PROPOSED EXPENSES

Statement of significant assumptions

The prospective financial statements included in this Statement of Performance Expectations are reliant on a set of critical assumptions made by N4L.

The most significant assumptions reflected in these financial statements are:

- Statements of Work with the Ministry of Education will be completed in relation to:
  - An extension to Support Services;
  - Network Support Extension services; and
  - Network Hardware Replacement services.
- Covid-19 threat levels permit N4L to access schools within appropriate timeframes.
- Non-departmental capital funding of $8.0m will be received from the Ministry for the Network Hardware Replacement Programme.

Any additional activities will be conducted within the parameters established by Ministerial expectations of N4L and in accordance with agreed Statements of Work.

Colin MacDonald
Chair
25 June 2020

Dame Karen Poutasi
Deputy Chair
25 June 2020

"Technology plays a growing role in our school – we are bringing in more devices to support the kids' learning so the upgrade will be a big help for us.

Network for Learning will know remotely if something's gone wrong; they're able to help me remotely; and do all those things that would otherwise just add to my jobs list; and solve those for me, which is just fantastic. They're able to help me with problems that I have, especially when I haven't got the expertise to be able to do it myself, as a teaching principal with five year groups in the class."

Dawn Fenn
A teaching principal at Woodhill School,
a fast-growing rural school in Helensville

PROSPECTIVE FINANCIAL STATEMENTS

Prospective Statement of Comprehensive Income for the Year Ended 30 June 2021

	2019/20 Forecast $000	2019/20 SPE $000	2020/21 Draft SPE $000
Income from Services			
Income from Services - Non Exchange Revenue	30,202	29,689	29,788
Income from Services - Exchange Revenue	220		2,917
Less: Direct Network and Product Service Costs	17,025	17,680	18,760
Gross Margin	**13,397**	**12,009**	**13,945**
Operating Expenses			
Board Operations	176	198	206
Personnel Costs	8,816	8,227	10,277
Professional Services	1,516	599	462
Travel	301	296	316
Marketing & Communications	279	330	331
Facilities	553	520	622
IT & Telecommunications	718	1,080	686
Audit Fees	61	58	60
General and Overhead Expenses	315	253	330
Total Operating Expenses	**12,735**	**11,561**	**13,290**
Total Operating Margin	**662**	**448**	**655**
Non-Operating Income			
Interest Income	50	68	43
Non-Operating Expenses			
Depreciation	431	393	612
Total Comprehensive Income/(Loss)	**281**	**123**	**86**

Prospective Statement of Changes in Equity for the Year Ended 30 June 2021

	2019/20 Forecast $000	2019/20 SPE $000	2020/21 Draft SPE $000
Opening Balance	5,203	4,847	5,484
Net Surplus/(Deficit)	281	123	86
Total Comprehensive Income for the Period	5,484	4,970	5,570
Dividends Paid	-	-	-
Proceeds from Shares Issued	-	-	-
Total Contributions by the Owners	-	-	-
Closing Balance	5,484	4,970	5,570

Prospective Statement of Financial Position as at 30 June 2021

	2019/20 Forecast $000	2019/20 SPE $000	2020/21 Draft SPE $000
Current Assets			
Cash and Cash Equivalents	3,754	3,585	4,686
Other Current Assets	3,367	3,237	3,428
Total Current Assets	**7,121**	**6,822**	**8,114**
Non-Current Assets			
Property, Plant, Equipment and Intangibles	1,553	1,297	1,198
Total Non-Current Assets	**1,553**	**1,297**	**1,198**
Total Assets	**8,674**	**8,119**	**9,312**
Current Liabilities			
Accruals and Payables	3,065	3,024	3,646
Total Current Liabilities	**3,065**	**3,024**	**3,646**
Non-Current Liabilities			
Lease Incentive	125	125	96
Total Non-Current Liabilities	**125**	**125**	**96**
Total Liabilites	**3,190**	**3,149**	**3,742**
Shareholders' Funds			
Share Capital	14,000	14,000	14,000
Retained Earnings	(8,516)	(9,030)	(8,430)
Total Shareholders' Funds	**5,484**	**4,970**	**5,570**
Total Liabilities and Shareholders' Funds	**8,674**	**8,119**	**9,312**

Prospective Statement of Cash Flows for the Year Ended 30 June 2021

	2019/20 Forecast $000	2019/20 SPE $000	2020/21 Draft SPE $000
Operating Activities			
Interest Received	33	68	43
Income from Services	34,968	34,148	37,545
Payments to Suppliers and Employees	(34,479)	(34,097)	(36,360)
Net Cash Inflow/(Outflow) from Operating Activities	**522**	**119**	**1,228**
Investing Activities			
Purchase of Fixed Assets	(1,353)	(506)	(296)
Net Cash Inflow/(Outflow) from Investing Activities	**(1,353)**	**(506)**	**(296)**
Financing Activities			
Capital Contribution	-	-	-
Net Cash Inflow/(Outflow) from Financing Activities	**-**	**-**	**-**
Net Increase/(Decrease) in Cash	**(831)**	**(387)**	**932**
Cash Available at the Start of the Period	4,585	3,972	3,754
Cash Available at the End of the Period	**3,754**	**3,585**	**4,686**

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Reporting Entity

The Network for Learning Limited (N4L), a limited liability company incorporated in New Zealand under the Companies Act 1993, is a Crown entity as defined by the Crown Entities Act 2004. It is listed in Schedule 4A of the Public Finance Act 1989.

N4L's purpose is to establish and operate a student-focused network for schools and kura that provides significant benefits to students and educators by delivering a faster, safer, smarter, more reliable internet connection. As such, N4L's principal aim is to provide services to the public, rather than make a financial return. Accordingly, N4L is designated as a public benefit entity (PBE).

The New Zealand Crown is the ultimate parent of N4L, however the Crown does not guarantee the liabilities of N4L in any way.

2. Statement of Compliance

The prospective financial statements are for the year ended 30 June 2021, with comparatives to the forecast and SPE for the current year ending 30 June 2020. The forecast comparatives for 2019/2020 include actual financial results for the period July 2019 to February 2020. The prospective financial statements have been prepared in accordance with the relevant requirements of the Public Finance Act 1989 and Crown Entities Act 2004, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared in accordance and comply with Tier 1 PBE accounting standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These statements will be used in our Annual Report as the budgeted figures.

Critical accounting estimates and assumptions

In preparing these prospective financial statements N4L has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results and these differences may be material.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The prospective financial statements were authorised for issue by the Board of Directors on 28 April 2020. The Board is responsible for preparing the forecast financial statements presented, including judgements concerning the appropriateness of the assumptions underlying the prospective financial statements and other required disclosures. It is important however to note that the prospective financial statements are estimates based on the available information at the time of publication and contain inherent uncertainties. Actual financial results achieved are likely to vary from the information presented and the variations may be material.

3. Measurement Base

The financial statements have been prepared on a historical cost basis.

4. Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand ($000). The functional currency of N4L is New Zealand dollars (NZD).

5. Summary of Significant Accounting Policies

Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance and financial position, have been consistently applied.

Income

Income is measured at the fair value of the consideration received or receivable.

Income from non-exchange transactions:

(i) Income from services: Income from services is recognised by reference to when the service is performed.

Income from exchange transactions:

(i) Income from services includes income from the Network Hardware Replacement programme. Income is recognised upon completion of the installation.

(ii) Interest: Interest income is recognised using the effective interest method.

6 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and term deposit held with a major New Zealand trading bank.

7. Other Current Assets

Other current assets are recorded at their face value, less any provision for impairment.

8. Property, Plant, Equipment and Intangibles

Property, plant and equipment consist of computer equipment, office equipment, office furniture and leasehold improvements. Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

Intangible assets consist of acquired computer software licences, which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software or with the development and maintenance of N4L domains are recognised as an expense when incurred.

9. Accruals and Payables

Accruals and payables are non-interest bearing and are stated at their nominal value. They are normally settled on 30-day terms, and the carrying values of accruals and other payables approximate their fair values.

10. Goods and Services Tax

All items in the prospective financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis.

Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

11. Income Tax

N4L is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

12. Statement of Cash Flows

The following are the definitions of the terms used in the statement of cash flows:

Cash comprises cash at bank and in hand and short-term deposits that are readily converted to a known amount of cash and are subject to an insignificant risk of changes in value.

- Operating activities are the principal income-producing activities of the Company and other activities that are not investing or financing activities.

- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments, property, plant and equipment, intangible assets and other non-current assets.

- Financing activities are those activities that result in changes in the size and composition of the contributed equity of the Company.

13. Income from Services

Income from services represents:

- Estimated income from the provision of core network services to schools. These services for state and state-integrated are paid for directly by the Ministry of Education on behalf of the schools. Income from services to schools also includes income from independent schools for the provision of core network services and support services.

- Estimated income from services to the Government relating to the provision of transition support services to schools, a helpdesk service, a hardware replacement programme and a package of content and services. These services are paid for by the Ministry of Education. Income from services to the Government also includes income from other projects paid for by the Ministry of Education.

14. Direct Network and Product Service Costs

Network and product service costs represent:

- Estimated payments to the network provider and other providers for the provision of services to N4L.

15. Other General and Overhead Expenses

Other general and overhead expenses represent:

- Estimated direct departmental costs in providing products and services.
- Estimated departmental costs of general management, customer relationship management, marketing/communications, education sector/government liaison, finance, human resources, facilities, and professional services/legal.
- The increase in general and overhead expenses relates to estimated costs associated with providing the safe and secure network and additional services for the Government.

16. Personnel Costs

Personnel costs represent estimated salaries and short-term benefits to employees and contractor costs.

17. Reportable Outputs

In compliance with the Crown Entities Act (2004) S149E (1)(c) N4L confirms that it does not propose to supply any class of outputs, in the financial year, that is not a reportable class of outputs.

N4L