N4L

**PŪRONGO WHĀINGA |
STATEMENT OF INTENT**

2021 - 2025

**TE PŪRONGO PAEARU MAHI |
STATEMENT OF PERFORMANCE
EXPECTATIONS**

FINANCIAL YEAR 2021/2022

RĀRANGI UPOKO
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ANGA WHAKAMUA
FORWARD

Ko Network for Learning Limited (N4L) he ūmanga whakahaere e te karauna hai tauwhiro hei kōtuitui hoki i ngā kura puta noa i Aotearoa. Ko tā mātou he āwhina i ngā 850 mano pouako me ngā ākonga 2450 neke atu me ngā kura kia haumaru te ako mā te matihiko. He whakataikaha i ngā pouako ki te ako i ngā ākonga kia haumaru ai te ako matihiko e puta ai ngā hua toiora mō Aotearoa whānui. Koia tonu ngā āhuatanga akiaki i a mātou kaimahi me ngā ākonga kia arotahi ki te ako.

Hei roto i ngā tau e whā e tū mai nei, ka whakawhānuitia e mātou a mātou ratonga mā te whakahou i ngā pūnaha matihiko o ngā kura e tino whakahaumaru ai a rātou hangarau, matihiko hoki. I tū atu i ēnei hinonga ka whakataikahatia e N4L a mātou tautoko i ngā pouako me ngā ākonga e whakapiki ai te māramatanga ki te whakamahi i ēnei rauemi kia angitū ai te mātauranga. Ko tēnei Māhere Rautaki ("N4L" "ko te Ūmanga"), He whai i te ture Hinonga Karauna 2004. He mea āta whakaritea tēnei pūrongo i ngā whāinga me ngā paenga hoki a N4L mō te wāhanga i te 1 o Hōngongoi ki te 30 o Pipiri 2025.

Colin MacDonald, QSO | Chair
17 June 2021

Dame Karen Poutasi, DNZM | Deputy Chair
17 June 2021

The Network for Learning Limited (N4L) is a Crown-owned Company that owns and operates a Managed Network service that connects and protects all state and state-integrated schools and kura in Aotearoa New Zealand. We make it possible for all 850,000+ kaiako and ākonga across 2450+ schools and kura to safely learn online. Empowering all kaiako to teach and ākonga to learn safely online increases educational success and contributes to Aotearoa' New Zealand's wellbeing. This drives and motivates our staff, as we empathetically design and deliver smarter, simpler digital technologies that support kaiako and ākonga to focus on learning. Over the next four years, we will extend the Managed Network service by replacing schools' internal networks and providing a security operations centre to enhance their safety and security.

Alongside these innovations, N4L will enhance the support that is provided to kaiako and ākonga, ensuring an uplift in their capability to use these tools to support educational success. We will also be investigating how to extend the Managed Network service to contribute to efforts to ensure all learners can connect safely outside the classroom. 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 2021 to 30 June 2025.

TE PŪTAKE O TĒNEI PŪRONGO
THE PURPOSE OF THIS DOCUMENT

This Statement of Intent summarises N4L's strategy for the period 1 July 2021 to 30 June 2025, along with performance measures that enable the public and all interested stakeholders to evaluate how effectively N4L delivers its outcomes.

The Statement of Intent and 2021/2022 Statement of Performance Expectations have been brought together in this combined document. It sets out the initiatives being pursued to progress the strategic intentions and the performance measures against which N4L can assess its operational performance.

KO WAI MĀTOU
WHO WE ARE

N4L is a Crown-owned company, with expertise in designing and delivering digital technology for education on time, on budget and endeavours to meet the expectations of our education sector and government customers. Equitable access to digital technology empowers young New Zealanders to succeed in education, which then contributes to the wellbeing of Aotearoa New Zealand.

Since 2013, N4L has successfully connected schools to broadband through the rollout of the Managed Network. Subsequently, N4L significantly increased the safety and security of the Managed Network with a nationwide upgrade of its services in 2019. N4L is now embracing the opportunity to build on this achievement by extending the Managed Network beyond the school gate and into the classrooms of schools and kura throughout Aotearoa New Zealand, providing more reliable and safer access to the benefits of digital learning.

N4L's reach is broad, sitting at the nexus point between government, the education sector and the private technology sector, and drawing these together to advance the goals of the education system.

Partnering for success, whether with our colleagues at the Ministry of Education or NZQA, with our local and global technology partners like Spark or Akamai, or with schools and kura is at the heart of our success.

As one of the education sector agencies, N4L is a member of a number of cross agency groups, including the Education Sector Stewardship Forum, and the Education Digital and Design Board, supporting a joined up approach to delivering best value for learners in compulsory education.

The Network for Learning Limited (N4L) is a Crown-owned Company, listed under Schedule 4A of the Public Finance Act 1989. Ownership is held equally between two shareholding Ministers, the Ministers of Finance and Education, with governance by a Crown-appointed Board of Directors. Management and leadership draws on significant experience across the government, education and technology sectors.

HE AHA A MĀTOU MAHI
WHAT WE DO

Since 2018, N4L has framed itself around three major goals: to connect, protect and support all kaiako and ākonga, so they are empowered to learn safely online.

Tūhono *Connect*

N4L connects all 2,457 state and state-integrated schools in Aotearoa to our Managed Network, a fast, reliable, safe and secure connection so that schools can access all the internet they need for digital learning.

While most schools use fibre to connect to the Managed Network, N4L uses a mix of broadband technologies to ensure all schools get the internet they need for learning. This includes satellite, fixed wireless, 4G LTE, as well as fibre. N4L has provisioned 1Gb fibre connections to 2,122 (85%) schools.

Data growth across the Managed Network has almost doubled in four years, but remained constant from 2019 to 2020, reflecting 15 - 18% fewer days at school during lockdowns. Data increases are driven in part by more streaming video consumption, updates and more devices on the network.

In delivering on our programme of connection, N4L has developed filtering and authentication technologies and capabilities with the potential to deliver safe connectivity outside the classroom. N4L's work has proven the underlying technology concepts, and can now potentially be scaled to connect both places and people.

Annual data consumption (Petabytes) YE July 2021

July 17	24.4
July 18	41.7
July 19	44.2
July 20	44.2

0   10   20   30   40
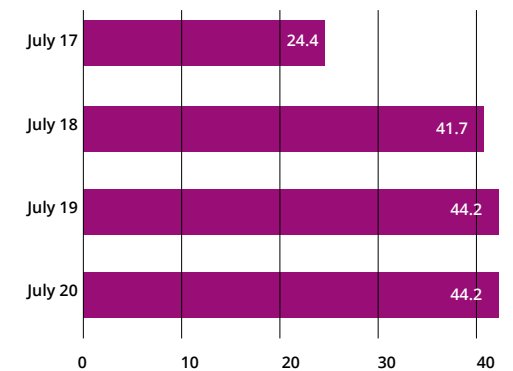
Tiaki *Protect*

The online threat environment has changed and grown exponentially in the past few years, with schools being exposed to an increasing number of safety and security threats. Malicious actors continue to find new software vulnerabilities to exploit and the number and complexity of online threats continues to rise. This has been exacerbated by COVID-19, with hackers exploiting human psychology to gain access to systems or data. External research suggests that education is in the top 5 most attacked sectors in the Asia Pacific region.

In the past four years, there has been a tenfold increase in total blocks through N4L's Firewall and filters. Today we can see that schools are exposed to more than 2,000 online threats per minute. Ransomware, phishing, command and control[1], and DDoS[2] attacks are common

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[1] Computers controlled by attackers are used to send commands to systems compromised by malware; this computer is called the command and control server.

[2] A distributed denial-of-service (DDoS) attack is a malicious attempt to disrupt normal internet traffic of a targeted server, service or network by overwhelming the target or its surrounding infrastructure with a flood of internet traffic.

HE AHA A MĀTOU MAHI
WHAT WE DO

threats. Close to half a million devices connect to the network on a daily basis, with the majority of these being BYOD, providing a potent entry point vector for introducing threats to school networks.
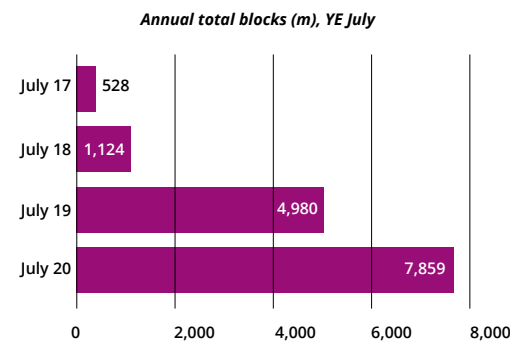
Annual total blocks (m), YE July

July 17	528
July 18	1,124
July 19	4,980
July 20	7,859

N4L is committed to providing a safe and secure online learning environment for all ākonga and kaiako. As part of this commitment, N4L offers all schools a comprehensive package of safety and security features - N4L's Safe and Secure standard. Further, N4L actively monitors schools to ensure that they remain protected to this standard. Over 90% of schools currently meet the Safe and Secure standard and N4L supports any school that needs assistance to reach the standard.

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.

Safe & Secure Internet

Currently, 2,276 sites use N4L security services, and also meet or exceed our Safe & Secure standard

95.4%	**98.3%**	**97.8%**
Firewall	**Web Filtering**	**DNS Threat Protection**

N4L's Safe & Secure standard includes:

- **Managed Network Internet Connection**
- **Network level DDoS Protection** - Shields schools from large sophisticated denial of service attacks.
- **Firewall** - Default configuration protects school devices from threats originating outside or inside the network.
- **Web Filtering** - 14 default categories to protect against harm:
  - Child Abuse; Pornography; Discrimination; Drug Abuse; Explicit Violence; Extremist Groups; Hacking; Illegal or Unethical; Proxy Avoidance; Other Adult Materials; Peer to Peer File Sharing; Malicious Websites; Phishing; Spam URL's
- **DNS Threat Protection** - Additional protection against threats, and to enforce SafeSearch.

Tautoko *Support*

N4L has designed and built the largest Managed Network in Aotearoa New Zealand, connecting nearly all state and state-integrated schools with advanced safe and secure high speed broadband and wireless school networks the length and breadth of the country.

N4L's customer satisfaction levels have always exceeded 90% since we began connecting schools to the Managed Network in 2013, due to our overarching focus on addressing the needs of the schools, kaiako, and ākonga that we serve. Our dedicated team of School Relationship Managers visit schools across the country every day, listening to their needs and responding with ways to help make their online learning environment safe and seamless, so they can focus on helping students achieve their best.

The N4L Helpdesk team ensures schools have access to the support they need, with schools able to log cases via N4L's Support Hub or by calling the Helpdesk. The remit is expanding as we increase our support for school networks, cybersecurity and NZQA online exams. Accordingly we are constantly enhancing the services and increasing the channels schools can use to interact with N4L and keeping them informed about the products and services we can offer them.

The people contacting N4L's Helpdesk range from teaching principals with little or no tech knowledge, to technology companies calling on behalf of the schools they are engaged to support. The latter group represents around 40% of all Helpdesk callers.

We also commission the support of our N4L panel of local technology companies who are on the ground to install schools' new network equipment and support them in securely connecting devices to these new networks.

Helpdesk Satisfaction, YE July
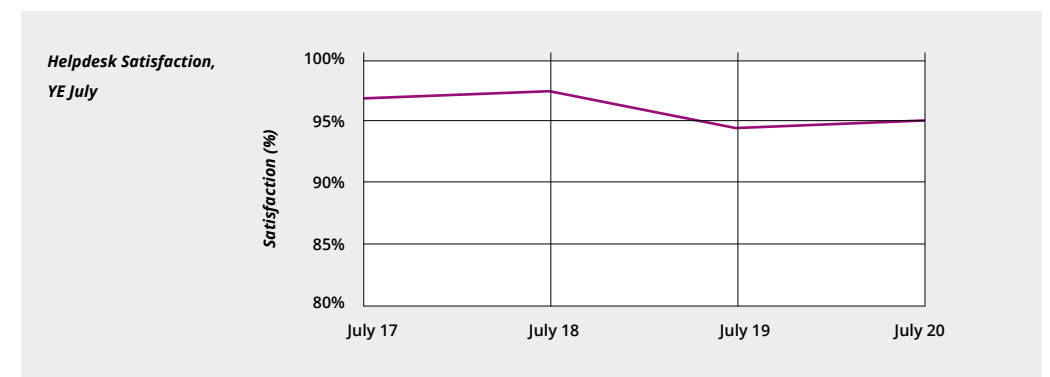
E AHU ANA MĀTOU KI HEA
WHERE WE ARE GOING

Te Horopaki a N4L me Ngā Mānuka Kei mua i a mātou *N4L's Operating Environment and the Challenges Ahead*

Mitigating the impacts of COVID

The history of changes to alert levels suggests that there are likely to be periods of time over the next year when substantial numbers of ākonga may be primarily learning online rather than in classrooms.

Many ākonga are kept safe while at school but once outside the school gates, are exposed to significant threats to their online safety and security. N4L's Switch on Safety filter, launched in April 2020, is being used by up to 64,000 ākonga outside school, but with around 500,000 ākonga using the schools' network on any given day, it would appear that a significant number of children may need our support to get a suitable filter on their device to keep them protected while online outside of the school environment.

Like all other businesses, N4L has needed to learn to manage through the disruptions to normal patterns of work caused by the COVID pandemic. N4L's delivery of major elements of the Te Mana Tūhono programme is of top priority and N4L has actively developed the capacity to manage around periods of lockdown. However, successful delivery is dependent on N4L staff and subcontractors having physical access to school sites. While there is some flexibility to reschedule, prolonged national or regional lockdowns may affect N4L's ability to deliver to the timelines agreed with the Ministry of Education.

Addressing growing threats to the safety and security of ākonga online

Globally, the online safety and security environment is changing and expanding rapidly. Our recent research shows that on average, N4L blocked 2.9m threats a day when students were attending school. New threats and new vulnerabilities are constantly emerging, with the education sector a prime target, and the potential for tangible harm from online threats is similarly escalating.

Reducing digital inequity

Periods of lockdown over the last year have shown that there is significant variation in the ability of schools and ākonga to operate digitally outside the classroom. These variations tend to exacerbate existing inequities, with Māori and Pasifika learners more likely not to be digitally included.

While N4L has provided all ākonga with access to world-class safe and secure internet at school, there still remains inequity outside the school gate. Building on the government's investment in devices and internet connections during lockdown to reduce this inequity continues to be one of N4L's key priorities. N4L believes that there are significant opportunities to enhance the ways in which these types of technology for education are currently designed, procured, provided, managed and supported, and is committed to exploring and leveraging these where possible.

These issues will continue to shape N4L's operating environment for the foreseeable future and are key assumptions underpinning N4L's strategic planning.

Ngā Whāinga o Te Manatū *Ministerial Expectations*

Ministers have set out specific expectations for N4L. 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.

Working closely with the Ministry of Education

N4L will continue to deliver Managed Network services and key elements of the Te Mana Tūhono programme to the service levels and standards as set out in N4L's Statements of Work with the Ministry of Education. These programmes provide digital infrastructure and support services to advance the goal of a seamless learning environment. In doing so, N4L will maintain a focus on delivering continuous improvement with attention to value for money, reduction of costs and increasing safety and efficiency.

Working closely with New Zealand Qualifications Authority (NZQA)

NZQA is changing the nature of NCEA exams from hand-written papers, to online, using a device. This reflects the way students already interact with the world and how they are doing much of their learning, helping prepare them for their next steps after school.

In 2020, N4L supported around 300 (the equivalent of 62% of all state and state-integrated) secondary schools to provide digital exams to ākonga.

During the examination period, there was a programme of proactive resolution of minor network issues at schools by N4L, and no major disruptions occurred. Planning is already underway with NZQA and MoE to expand support to more schools in 2021.

Working closely with the Department of Internal Affairs, CERT NZ, and Netsafe to enhance cyber safety and security

Protecting ākonga and young people is a key strategic priority for N4L, and N4L will continue to work with its stakeholders to address the challenges facing the sector. Building on work started in 2020/21 to develop and implement a Security Operations Centre, N4L will continue to invest in critical infrastructure to prevent data or cyber security breaches within the education system. N4L already works closely with the Ministry of Education, CERT NZ and Netsafe on issues around safety and security, and is continuing to develop a suite of processes and tools to work with schools to monitor, manage and, if necessary, mitigate their security environment.

Investigate options to advance digital inclusion

The importance of a seamless online learning environment has only been heightened by recent lockdowns. N4L has developed several propositions which provide value-for-money, technological sophisticated solutions to this challenge, and is confident of its ability to deliver these quickly and at scale. We will continue to make our technical expertise and commercial networks available to support cross-government initiatives as they emerge.

E AHU ANA MĀTOU KI HEA
WHERE WE ARE GOING

COMPANY STRATEGY ON A PAGE / 2021-2025

PURPOSE — HELP ALL ĀKONGA THRIVE IN TODAY'S DIGITAL WORLD

VISION — ALL KAIAKO AND ĀKONGA ARE EMPOWERED TO TEACH AND LEARN SAFELY ONLINE

MISSION — WE PUT YOU IN CONTROL WITH SMART IDEAS, SIMPLY DELIVERED SO YOU CAN FOCUS ON LEARNING

Investigate options to optimise value

N4L's status as a company listed on schedule 4a of the Public Finance Act affords it commercial possibilities that have not yet been leveraged. Reflecting N4L's intention to maintain a constant focus on increasing value for money to both the Crown and to schools, N4L will explore ways to leverage its balance sheet and commercial relationships to deliver on Government's priorities for technology and education.

Te Pūtake, Te Whakakitenga me te moemoeā o N4L *N4L's Purpose, Vision and Mission*

Equitable access to digital technology leads to increased educational success. But N4L also understands that digital technology can be complex and difficult to manage. So by providing smart ideas, simply delivered, to connect, protect and support, we advance our vision of all kaiako and ākonga teaching and learning safely online.

For N4L this also means continuing to build our understanding of the needs of Aotearoa New Zealand's schools and kura and the communities they serve. Of particular importance will be continuing to strengthen N4L's capability to work with and for Māori kaiako and ākonga, which is an important part of N4L's commitment to equity and diversity.

Ngā Hinonga Matua *Major Initiatives*

Over the next four years, N4L will deliver a number of major initiatives across our three key goals: **Connect, Protect, and Support.**

Tūhono *Connect*

Te Mana Tūhono: Equipment replacement and support

Over the next four years, N4L will be delivering key elements of the Ministry of Education led Te Mana Tūhono programme, the network and cybersecurity support programme for schools. Schools can opt-in to have their ICT network equipment replaced when it is reaching the end of its life, access support to manage cybersecurity, and access help and support from N4L for ICT network issues.

This means that over the next four years, N4L and our partners will be extending the Managed Network into classrooms across Aotearoa New Zealand, so we can further connect, protect and support schools and kura, kaiako and ākonga.

This programme has three phases:

1 **Equipment support** - Across an increasing number of schools, network equipment (switches and wireless access points) licences and warranties are expiring, so N4L is providing extended support and assistance through our Helpdesk, meaning that should schools' network hardware fail before it's been upgraded, N4L will either fix or replace it.

2 **Equipment replacement** - N4L and our panel of ICT providers are replacing all participating schools' network equipment with next-generation wireless technology. At present, schools are served by multiple Wi-Fi networks managed on the school site or via a cloud provider. When this programme concludes, all state and state integrated schools and over 850,000 users will be managed by infrastructure that N4L has designed and installed, and then managed. It will be the single largest distributed and managed Wi-Fi network in New Zealand. After the replacement, N4L's Helpdesk can provide greater support to schools, including the ability to monitor internal network performance and the ability to troubleshoot many issues remotely.

E AHU ANA MĀTOU KI HEA
WHERE WE ARE GOING

3 **Secure Access** - a programme to securely register school network users and devices onto the network, enabling schools to set up distinct networks for specific user groups, e.g. Staff, Students, Guests. This improves the security of the school network, and allows for more granular filtering, which can be configured appropriately for each user group. This will also enhance the security of online assessment. Secure Access involves the distribution of a certificate or wireless keys to all connected devices.

Managed Network 3.0

By the end of 2023, the current iteration of N4L's Managed Network will be around five years old and in need of a comprehensive technology refresh. N4L will embark on the process of co-design of the new Managed Network from late 2021, working with whānau, schools and kura, the education sector, the Ministry of Education and technology partners to ensure that the needs of kaiako and ākonga are not just met but exceeded.

Tiaki *Protect*

Security Operations Centre

In September 2020, the Government announced a $49 million expansion of the Te Mana Tūhono programme, allowing the Ministry to offer all state and state-integrated schools the opportunity to access cybersecurity support by 2024. Over the next four years, N4L will continue to deliver on this opportunity by fully implementing the Security Operations Centre (SOC).

Once the SOC is established, it will enable N4L to:

- detect and block cyber harm,
- mitigate malicious threat actors,
- raise awareness of cybersecurity issues,
- provide training and information, and
- provide specialised support to the schools which they can build upon in improving their overall cyber resilience.

Processing up to 100,000 events per second, the SOC will use an advanced security information and event management (SIEM) system, coupled with machine learning and AI, to identify and respond to threats. The SOC will be the largest distributed managed security network in New Zealand. Fully implementing the new SOC, alongside expanding N4L's offerings of products and services will help to ensure we remain resilient to new and emerging threats.

Switch on Safety

The COVID-19 pandemic and resulting shift to remote learning from home has meant that many ākonga are using their own devices and their school-owned devices during lockdowns without endpoint (device) protection tools. In response, in April 2020, N4L launched Switch on Safety, a free filter for children's devices, designed to protect them from the worst of the web. Switch on Safety leverages world leading technology provided to schools as part of N4L's Safe and Secure standard, and is based on technology provided by our technology partner Akamai. As of 27 February 2021, the opt-in Switch on Safety (SoS) device filter had been used by around 64,000 unique IP addresses/ learning devices. The filter has blocked 4,534,133 security threats and 18,134,345 unsafe websites since it was launched on 14 April 2020.

Over the next years, N4L will explore ways of developing this service further so that it can continue to be used by parents and children throughout Aotearoa New Zealand.

E AHU ANA MĀTOU KI HEA
## WHERE WE ARE GOING

Tautoko *Support*

Self-service - insights and actions for kaiako to protect ākonga

In addition to the Safe and Secure default categories blocked by N4L, schools can also use our filtering to block content they deem inappropriate for learning or distracting for ākonga, such as social media or gaming sites. Our technology blocks an average of 25 million of these sites per day for schools.

N4L collects a significant amount of data, which has the potential to support providing better information for schools for addressing digital citizenship and mitigation of online harms, as well as giving insight into learning and educational success. N4L's Reporting app, currently in pilot, makes it easier for teachers to see and use N4L's data, for example seeing where students are spending their browsing time and which websites and apps are being used across the school's Managed Network.

Continuing development of the N4L Reporting app will focus on the provision of information to support schools with pastoral care, child wellbeing, learning outcomes. Where schools have environmental data loggers to measure temperature, sound levels, humidity and other environmental factors, the data from these data loggers can be presented back to ensure schools' environments are suitable for learning. Over the next four years, N4L will roll out the self-service and reporting functionality to schools across Aotearoa New Zealand.

N4L will also work with the Ministry and other partners to use N4L's data to advance evidence-based decision making in education. This work will be taken forward within a robust framework to ensure that privacy and data sovereignty considerations are built in.
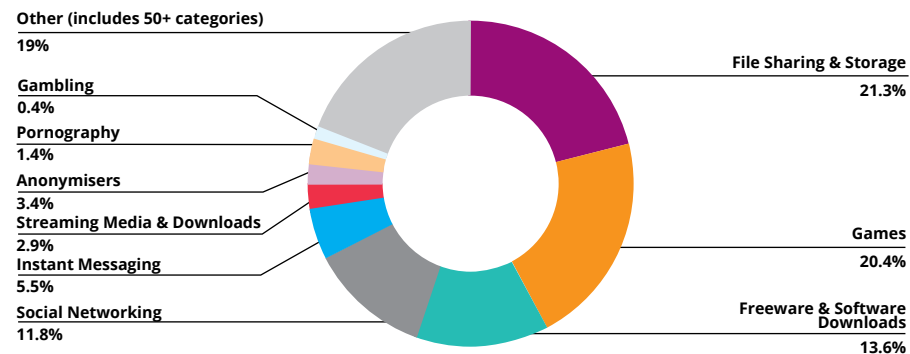
Supporting NZQA to deliver digital assessment

In May 2020, NZQA engaged N4L to provide professional and support services to assist schools participating in NCEA Online to become 'digital-ready', to assist in reducing risks associated with problems in the system and to assist NZQA in achieving a high level of service for problem identification and resolution during the period of examinations.

N4L's engagement fell broadly into four areas:

1 Co-ordination of a programme of work to undertake Network Assurance Checks to determine readiness for NCEA Online 2020. These checks involve testing internet speeds, network capacity, cybersecurity preparedness and reviewing the systems in place to prevent students from accessing unauthorised websites.

2 Provision of a helpdesk during the examination period.

3 Supporting schools to implement dedicated exam virtual networks.

4 Provision of a helpdesk to support NZQA's NCEA Online Helpline.

N4L worked with our partners (Spark, Chorus, and other local fibre companies (LFCs) regarding NCEA Online 2020 participant schools and examination dates to ensure minimal outages/network disruptions during the examination period.

Planning is already underway with NZQA and MoE to expand the support to more schools in 2021 and beyond.

Other (includes 50+ categories) 19%
Gambling 0.4%
Pornography 1.4%
Anonymisers 3.4%
Streaming Media & Downloads 2.9%
Instant Messaging 5.5%
Social Networking 11.8%
File Sharing & Storage 21.3%
Games 20.4%
Freeware & Software Downloads 13.6%

A MĀTOU TIKANGA MAHI
HOW WE WORK

Te Raupapatanga Mahi *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 Crown Entities Act 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.

Mahi whakahaere *Governance*

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

- Colin MacDonald, QSO (Chair)
- Dame Karen Poutasi, DNZM (Deputy Chair)
- Jeremy Banks
- Anthony Briscoe
- Sharon Cresswell

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 HR and Remuneration.

The role of the Audit and Risk Committee is to provide assistance to the Board of Directors by providing advice and guidance on N4L's risk, control and compliance framework, and its external accountability responsibilities.

The role of the HR and Remuneration Committee is to provide assistance to the Board in respect of the recruitment and remuneration of the CEO and the direct reports to the CEO. The Committee is also responsible for advice to, and support for, the CEO on a broad range of matters relating to Human Resources within N4L.

Te Tira Amorangi *N4L Leadership Team*

- Larrie Moore, *Chief Executive Officer*
- Alexander Brown, *acting Chief Strategy Officer*
- Gavin Costello, *Chief Information and Security Officer*
- Kim Hegarty, *Chief People Officer*
- Michelle Leadsom, *Chief Customer and Brand Officer*
- Gill Mahony, *Chief Financial Officer*

Te Tira Whakawhirinaki a N4L
N4L Leadership Advisory Group

- Claire Amos - *Albany Senior High School*
- Sose Annandale - *Russell School*
- Dorothy Burt - *Manaiakalani Education Programme*
- Bruce Jepson - *Te Akau ki Pāpāmoa School*
- Sarah Martin - *Stonefields School*
- Charles Newton - *Education Consultant*
- Nicola Ngarewa - *Spotswood College*
- Jen Rodgers - *St Clair School, Dunedin*
- Mike Williams - *Pakuranga College*

Ngā haepapatanga *Accountability*

N4L is accountable to its shareholding Ministers. The Commercial Performance 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, government via the Ministry of Education, for contracted deliverables around Managed Technology services.

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.

Te Whakamarumaru *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 rests upon an effective risk management framework, which is regularly reviewed to ensure key strategic risks are identified and managed.

N4L's Board and leadership team evaluate the Company's strategic and emerging risks, and ensure that the Company takes appropriate

WHAKAHAERENGA HAUORA ME NGĀ MAHI
ORGANISATIONAL HEALTH AND CAPABILITY

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. 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.

Te Ture Hinonga Karauna 2004 *Crown Entities Act 2004*

Some Crown Entities Act 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 Crown Entities Act had those sections been applied to N4L by Order in Council.

Te Ture Kamupene 1993 *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.

Ētahi atu whakaritenga-ā-ture *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.

Whakahaerenga *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.

Rangatira pai *Good Employer*

N4L has established an open, trusted and collaborative culture, and maintaining this culture remains a top organisational priority. The N4L team are proud to be a part of an important change in education, which impacts 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 has implemented an effective recruitment, retention and people development process, which is committed to upholding equal opportunities. N4L is developing practices to create an inclusive culture, create strategic partnerships to improve diversity and appropriate representation, and increase the diversity of our workforce to reflect the diversity of Aotearoa New Zealand and the kaiako and ākonga we serve. Through a review of policies, we are addressing issues of systemic or unconscious bias.

The Company is focused on being a good employer and ensuring the attractiveness of N4L as a place to work. It does this by developing and operating personnel policies that are consistent with the principles of being a good employer. Alongside this, N4L has a Chief People Officer as a member of the leadership team, and is focused on ensuring that the Company acts at all times as a good employer. To foster a

purpose-driven culture that embraces diversity and inclusion, attracts, retains and develops top talent and enables performance is one of N4L five strategic goals. As such, employee engagement and development is regularly assessed and the results actioned.

Te Whakahaere Pūtea tōnui *Financial Sustainability*

N4L has funding commitments from the Crown sufficient to ensure Managed Network services 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. A key part of maximising value for the Crown is aiming for a small annual surplus of 1-3% of revenue to ensure our ongoing financial sustainability can be maintained.

N4L has developed several approaches to ensure the financial sustainability of the Company. 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,
- 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,

ME PĒHEA E MŌHIO AI MĀTOU KUA ANGITŪ AI MĀTOU
HOW WE WILL KNOW WE HAVE SUCCEEDED

- Developing a financial framework to ensure the Company achieves an annual surplus of 1% - 3%, which provides for reinvestment,
- Ensuring the Company maintains an efficient, effective and 'fit for purpose' organisational structure, and
- Monitoring business risks and ensuring appropriate mitigation strategies are in place.

Te Hauora me te Haumaru
Health and Safety

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

The Company has a strong culture of Health and Safety, and regular reporting on Health and Safety is provided to the Board.

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 which meets formally each month, and a culture of identifying, reporting and managing hazards and risks.

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:

Te Ratonga Whakahaere Hangarau
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;

Network Service Extension
- School licenses renewed before expiry based on the Ministry provided list.

Network Hardware Replacement
- Number of schools' hardware replaced.

Safety and Security
- Comply with all recommendations from the National Cyber Safety Centre.

Secure Access
- Number of schools provided with Secure Access services

N4L's Safe and Secure
- Number of schools meeting N4L's Safe and Secure standard.

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

Customer Satisfaction
- 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;

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

Te Ahunga o Te Pūtea
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 the Treasury early if it expects material changes in its financial forecast.

TE PŪRONGO PAEARU MAHI, 2021/22

STATEMENT OF PERFORMANCE EXPECTATIONS, 2021/22

Ngā Paearu Pūtea kore, Ngā Whāinga me Ngā Inenga
Non-Financial Performance, Measures and Targets

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

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.

Connect: The Managed Network

Key Metric	Performance to date (2020/21)	Target (2021/22)
Percentage of eligible schools (defined as state schools and state-integrated schools) connected to core Managed Network services.	100.0%	99.9%
Percentage of schools that voluntarily disconnect from N4L.	0.0%	Less than 0.5%

Connect: Network Service Extension

Key Metric	Performance to date (2020/21)	Target (2021/22)
School licenses renewed before expiry based on the Ministry-provided list.	Q1: 91 Q2: 183 Q3: 266	289

Connect: Network Hardware Replacement

Measure	Performance to date (2020/21)	Target (2021/22)
Number of schools' hardware replaced.	Q1: 60 Q2: 111 Q3: 224	617

Protect: Safety and Security

Key Metric	Performance to date (2020/21)	Target (2021/22)
Comply with all recommendations from the National Cyber Safety Centre.	All recommendations complied with.	Compliance with all recommendations.

Protect: Secure Access

Key Metric	Performance to date (2020/21)	Target (2021/22)
Number of schools provided with Secure Access services.	New measure	Target as set out in agreement with the Ministry of Education achieved.

Protect: N4L's Safe and Secure

Key Metric	Performance to date (2020/21)	Target (2021/22)
Number of schools meeting N4L's Safe and Secure standard.	90%	92.5%

Support: Customer Satisfaction

Measure	Performance to date (2020/21)	Target (2021/22)
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%	90% 'satisfied' or 'very satisfied' response from respondents.

NGĀ PAEARU PŪTEA
FINANCIAL PERFORMANCE

Support: Support Services

Key Metric	Performance to date (2020/21)	Target (2021/22)
The number of minutes to acknowledge a service request (measured per month).	Q1: 79% Q2: 77% Q3: 89%	80% of all requests under 8 Support Hours
Percentage of total calls taken.	Q1: 72% Q2: 88% Q3: 86%	At least 85%
The number of minutes to resolve an incident (measured per month).	Q1: 94% Q2: 92% Q3: 93%	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

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.

Ngā Huanga Pūtea me Ngā utu nama
Expected revenues and proposed expenses

Sources of Income

The Company expects to receive income from:

- Providing Safe and 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,
- Providing elements of the Te Mana Tūhono programme to state and state-integrated schools, as set out in statements of work with the Ministry of Education, including:

  - Network Hardware Replacement services,

  - Network Support Extension services, and

  - Secure Access services.

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

  - Security Operations Centre services.

- New statements of work with the New Zealand Qualifications Authority, including in respect of Network Assurance Check 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.

Te Pūrongo Matapae nui *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:
  - Security Operations Centre services.
- Statements of Work with the New Zealand Qualifications Authority will be completed in relation to Network Assurance Checks.
- Covid-19 threat levels permit N4L to access schools within appropriate time frames.
- Non-departmental capital funding of $12.1m will be received from the Ministry for the Network Hardware Replacement Programme.
- A number of SoWs are currently under development with the Ministry and have not been included within SPE as they have not been finalised and signed but are expected to be in place for 1 July 2021.

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, QSO
Chair
17 June 2021

Dame Karen Poutasi, DNZM
Deputy Chair
17 June 2021

TE PŪRONGO MATAPAE PŪTEA
PROSPECTIVE FINANCIAL STATEMENTS

Prospective Statement of Comprehensive Income for the Year Ended 30 June 2022

	2020/21 Forecast $000	2020/21 SPE $000	2021/22 Draft SPE $000
Income from Services			
Income from Services - Non Exchange Revenue	32,602	29,788	36,893
Income from Services - Exchange Revenue	2,079	2,917	4,823
Less: Direct Network and Product Service Costs	18,349	18,760	20,493
Gross Margin	**16,332**	**13,945**	**21,223**
Operating Expenses			
Board Operations	171	187	187
Personnel Costs	11,264	10,277	15,796
Professional Services	1,671	462	635
Travel	212	316	380
Marketing & Communications	338	331	303
Facilities	590	622	597
IT & Telecommunications	853	686	994
Audit Fees	60	60	63
General and Overhead Expenses	341	349	525
Total Operating Expenses	**15,500**	**13,290**	**19,480**
Total Operating Margin	**832**	**655**	**1,743**
Non-Operating Income			
Interest Income	21	43	16
Non-Operating Expenses			
Depreciation	763	612	1,609
Total Comprehensive Income/(Loss)	**90**	**86**	**150**

Prospective Statement of Changes in Equity for the Year Ended 30 June 2022

	2020/21 Forecast $000	2020/21 SPE $000	2021/22 Draft SPE $000
Opening Balance	**5,722**	**5,484**	**5,812**
Net Surplus/(Deficit)	90	86	150
Total Comprehensive Income for the Period	**90**	**86**	**150**
Dividends Paid	-	-	-
Proceeds from Shares Issued	-	-	-
Total Contributions by the Owners	**-**	**-**	**-**
Closing Balance	**5,812**	**5,570**	**5,962**

Prospective Statement of Financial Position as at 30 June 2022

	2020/21 Forecast $000	2020/21 SPE $000	2021/22 Draft SPE $000
Current Assets			
Cash and Cash Equivalents	3,363	4,686	3,486
Other Current Assets	4,196	3,428	4,189
Total Current Assets	**7,559**	**8,114**	**7,675**
Non-Current Assets			
Property, Plant, Equipment and Intangibles	2,996	1,198	2,974
Total Non-Current Assets	**2,996**	**1,198**	**2,974**
Total Assets	**10,555**	**9,312**	**10,649**
Current Liabilities			
Accruals and Payables	4,673	3,646	4,644
Total Current Liabilities	**4,673**	**3,646**	**4,644**
Non-Current Liabilities			
Lease Incentive	70	96	43
Total Non-Current Liabilities	**70**	**96**	**43**
Total Liabilities	**4,743**	**3,742**	**4,687**
Shareholders' Funds			
Share Capital	14,000	14,000	14,000
Retained Earnings	(8,188)	(8,430)	(8,038)
Total Shareholders' Funds	**5,812**	**5,570**	**5,962**
Total Liabilities and Shareholders' Funds	**10,555**	**9,312**	**10,649**

Prospective Statement of Cash Flows for the Year Ended 30 June 2022

	2020/21 Forecast $000	2020/21 SPE $000	2021/22 Draft SPE $000
Operating Activities			
Interest Received	20	43	16
Income from Services	39,613	37,545	47,851
Payments to Suppliers and Employees	(38,436)	(36,360)	(45,919)
Net Cash Inflow/(Outflow) from Operating Activities	**1,197**	**1,228**	**1,948**
Investing Activities			
Purchase of Fixed Assets	(2,850)	(296)	(1,825)
Net Cash Inflow/(Outflow) from Investing Activities	**(2,850)**	**(296)**	**(1,825)**
Financing Activities			
Capital Contribution	-	-	-
Net Cash Inflow/(Outflow) from Financing Activities	**-**	**-**	**-**
Net Increase/(Decrease) in Cash	**(1,653)**	**932**	**123**
Cash Available at the Start of the Period	5,016	3,754	3,363
Cash Available at the End of the Period	**3,363**	**4,686**	**3,486**

NGĀ PITO KŌRERO MŌ NGĀ MATAPAE PŪTEA-Ā-TAU
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 state and state-integrated schools and kura that provides significant benefits to students and educators by delivering a reliable, safe and secure 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 2022, with comparatives to the forecast and SPE for the current year ending 30 June 2021. The forecast comparatives for 2020/2021 include actual financial results for the period July 2020 to February 2021. 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.

3. 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 22 April 2021. 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.

4. Measurement

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

5. 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).

6. 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 Equipment Replacement programme.

Income is recognised upon completion of the installation.

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

7. Cash and Cash Equivalents

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

8. Other Current Assets

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

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Personnel Costs

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

18. 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

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