

TE TAUĀKĪ WHAKAMAUNGA ATU | STATEMENT OF INTENT

2024 - 2028

TE TAUĀKĪ KAWATAU TUTUKINGA | STATEMENT OF PERFORMANCE EXPECTATIONS

FINANCIAL YEAR 2024/2025

RĀRANGI TAKE

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KUPU WHAKATAKI

FOREWORD

The Network for Learning Limited (N4L) is a Crown-owned technology company that operates managed technology services in the compulsory education sector. We enable nearly 2,500 schools and kura, serving over 900,000 teachers and learners, to reliably, safely, and affordably connect to the internet while at school.

Today, we deliver managed technology services that help reduce the effort, time, and costs for schools and kura, freeing them to focus on teaching and learning. Our products and services contribute to a more productive and inclusive education system.

Over the next four years, we will:

- migrate all schools and kura to the latest Managed Internet and firewall services,
- complete the migration of all schools and kura to the latest Managed Wi-Fi and Secure Access services,
- help to ensure all schools and kura are protected by delivering managed cybersecurity services, and migrate more schools to the Email Protection service,
- provide school technology leaders with self-service capabilities that will support them to implement and manage their schools' digital citizenship policies, and
- provide all schools and kura with support for the services outlined above.

We remain committed to delivering value for money, prioritising the enhancement of operational efficiency and effectiveness in existing services, and leveraging opportunities to maximise value for the Crown. Through close collaboration with our public, education and technology sector partners, our goal is to optimise Crown investments to achieve the best possible outcomes at the lowest costs for the people we serve.

This Statement of Intent (Sol) and Statement of Performance Expectations (SPE) is submitted by the Board of Directors of The Network for Learning Ltd (the Company), pursuant to the Crown Entities Act 2004. It sets out the strategic objectives and intentions of N4L for the period 1 July 2024 to 30 June 2028.

Jeremy Banks | Chair
27 June 2024

Sharon Cresswell | Deputy Chair
27 June 2024





TE PŪTAKE O TĒNEI TUHINGA

THE PURPOSE OF THIS DOCUMENT

This Statement of Intent summarises N4L's strategy for the period 1 July 2024 to 30 June 2028, 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 2024/25 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

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.

N4L's mandate is to deliver managed technology services (including internet, Wi-Fi, and cybersecurity) to all state and state-integrated schools and kura across New Zealand, on behalf of the Ministry of Education.

Our dedicated team of experts, specialising in network management, cybersecurity and service delivery, play a pivotal role in ensuring that over 900,000 school leaders, teachers and learners benefit from daily access to reliable, secure and affordable managed technology services. This reliability, where everything 'just works,' allows teachers and learners to concentrate on teaching and learning, creating efficiency and effectiveness in schools and kura across New Zealand.

N4L is located between the Ministry of Education, the education sector, and the technology sector, bringing these entities together effectively to advance the education system's goals. Collaboration is the cornerstone of our success.

HE AHA Ā MĀTOU MAHI

WHAT WE DO

N4L delivers an advanced managed digital technology infrastructure, connecting all state and state-integrated schools and kura with safe and secure high-speed internet and wireless networks. This is procured and delivered at scale, ensuring value for money and cost-efficient use of funding.

N4L's programme for 2024/25 includes migration of schools to the next iteration of N4L's Managed Internet service and to N4L's Managed Wi-Fi service. Schools, teachers and learners will benefit from greater protection from cyberharms, as N4L extends our Managed Cybersecurity service to more schools. All schools will be supported by our support services, which are delivered to a high degree of customer satisfaction.

Managed Internet

N4L connects all state and state-integrated schools to our Managed Internet, a fast, reliable, safer and more secure connection that enables schools to access all the internet they need for digital learning.

Managed Wi-Fi

Through the Ministry-led Te Mana Tūhono programme, N4L is taking on the management of schools' internal Wi-Fi networks. This is an essential service, as schools are increasingly using network-enabled telephony, security and other operating functions. Migration involves upgrading network hardware and security functionality to ensure a safer and more reliable online experience.

This lowers the management burden on schools and enables long-term lifecycle-management, meaning continued capacity and capability are assured. On completion, N4L will manage the largest distributed Wi-Fi network in New Zealand, with over 900,000 users and 70,000 items of equipment under management.

Managed Cybersecurity

N4L ensures a safer and more secure online learning environment in all schools and kura. The online threat environment is changing and growing exponentially, with schools exposed to more safety and security threats. To address this, N4L operates several safety and security services, including a Security Operation Centre (SOC), an email protection service, filtering and firewalls, and the Secure Access programme. Our services are globally recognised as leaders in their class.

Support services

N4L has an overarching focus on lifting the burdens that digital technology can place on schools, freeing them for their core activity of teaching and learning. We are proud of consistently exceeding customer satisfaction levels of 90% since we began connecting schools to the Managed Network in 2013.

Our fully-funded support services include targeted communications, face-to-face engagement and our Customer Support, Network, and Security Operations teams, which offer expert support for incidents affecting one or more schools nationwide. Our 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 safer and more seamless.

E AHU ANA MĀTOU KI HEA

WHERE WE ARE GOING

N4L's operating environment and the challenges ahead

Efficiency and effectiveness

New Zealand faces a challenging fiscal environment. Since inception, N4L has grown operational efficiency and effectiveness, providing new and better services within a limited fiscal envelope. N4L will continue to invest in alignment with the Government's strategic objectives and will support the education system to lift productivity and economic growth. High priority will be given to increasing efficiency and effectiveness in existing services, alongside leveraging opportunities in product replacement to maximise value for the Crown.

Delivering value for money requires ongoing, high-quality services within sustainable cost structures. This requires working with Government partners to ensure the education system's investment in technology addresses future needs and is structured to maximise N4L's capability to create economies of scale. N4L's integrated digital infrastructure also supports the safe and secure delivery of a range of services, creating an efficient platform for the education sector to deliver digital initiatives both now and into the future.

N4L's infrastructure is planned, developed and delivered over multi-year periods. To maximise its value, this infrastructure requires lifecycle management so that the required updates, upgrades and maintenance are planned for and appropriately resourced. Without this, infrastructure risks becoming outdated, vulnerable, and unable to meet the needs of schools. N4L is focused on lifting the sophistication of asset management across the system and identifying sustainable long-term models for protecting and growing the value of education technology infrastructure.

Supporting system decision-making and effectiveness

Technology is an integral part of learning in New Zealand and will continue to evolve. N4L will help ensure all learners have access to technology for future-focused learning, delivered on safer, more secure and reliable infrastructure. In doing so, N4L is increasingly a core component of the education ecosystem, linking schools, technology providers and education agencies together. This includes adding our expertise to the conversation about the ongoing role of technology and supporting thinking about New Zealand's education technology future. This will build on N4L's well-developed relationships across education agencies and the wider education sector, both in New Zealand and internationally. It will also include other Government entities, particularly those concerned with cybersafety and security.

Through the systems and infrastructure we administer, N4L holds large quantities of data about learners' online behaviour and experiences. N4L will increase our data maturity and identify opportunities to use data to support decisions in the system and create insights to increase student wellbeing. As new approaches become available (artificial intelligence and machine learning), N4L will use these to improve our capacity to create insights.

Another key application of N4L's data will be in providing greater visibility of the education system's use of technology and its technology spend. This will improve decisions about technology-related policy, practice and investment, which will, in turn, drive greater efficiency and effectiveness.

PURPOSE

Improve digital learning experiences and outcomes for all

IMPACT

Empower all learners with smart technology, simply delivered to foster confidence, active participation and lifelong learning

VISION

The trusted leader for digital technology in schools and kura

TE PŪTAKE, TE PĀPĀTANGA ME TE MOEMOEĀ
PURPOSE, IMPACT AND VISION

N4L aims to improve digital learning and experiences for all New Zealand teachers and learners. By empowering learners with smart technology, delivered in a simple and accessible way, we support development of the confidence and skills that enable true lifelong learning. Our design principles include focus on both effectiveness and cost efficiency. Through doing so, we further our vision of being the trusted leader for digital technology in schools and kura.

Access to educationally-appropriate and high-quality digital technology leads to increased educational success¹. But N4L also understands that digital technology can be complex and difficult to manage. So, by providing smart technology that ‘just works’, we enable a focus on what matters most - teaching and learning. By managing technology infrastructure in a future-focused and sustainable way, we ensure its benefits are available to future generations of learners.

However, N4L also recognises that one of the key features of our landscape is that technology will continue to change and evolve, and schools, teachers and learners will continue to adapt their practices to take advantage of the possibilities offered by these new technologies. For N4L, the key challenge will be to balance our focus on delivering reliable, cost-efficient long-term infrastructure with the need for innovation, adaptation and continuous improvement, to stay relevant and effective in a changing environment.

Successfully and sustainably adapting to the future of learning and exponential technology growth will require continuous focus on understanding our customers’ changing needs and expectations, and then drawing on these understandings as we develop new products and services.

N4L is committed to continuing to build our understanding of the needs of all of New Zealand’s schools and kura and the communities they serve. We use the data we hold, regular feedback from our customers, surveys and other tools to build our understanding. This includes supporting our Government partners and coordinating to exercise our shared stewardship of the education system to improve learner outcomes.

¹ Digital equity and inclusion in education: An overview of practice and policy in OECD Countries, OECD Education Working Paper No. 299

NGĀ KAUPAPA RAUTAKI

STRATEGIC INITIATIVES

Over the next four years, N4L will deliver a number of strategic initiatives across our three key service offerings: Managed Internet; Managed Wi-Fi; and Managed Cybersecurity. In addition, N4L will continue its efforts to support school leaders and teachers with impactful advice, data and insights.

Managed Internet

Managed Network 3.0

The current iteration of N4L’s Managed Network is reaching its end-of-life date and will require a comprehensive technology renewal.

N4L is working with schools and kura, the Ministry of Education and technology partners to co-design the next iteration of the Managed Network - Managed Network 3.0 - and preparing to migrate all schools and kura onto the new network over 2025 and 2026.

Migration to Managed Network 3.0 will be a priority for N4L, with a particular focus on ensuring schools experience a seamless transition to the new network’s enhanced internet and firewall services.

Managed Network 3.0 presents an opportunity for N4L to achieve a lift in the sophistication of the lifecycle management of this infrastructure and deliver better financial outcomes. Putting in place sustainable models for resourcing and delivering required infrastructure updates, upgrades and maintenance, will be a focus for N4L for this period.

Key achievement	2020/21	2021/2022	2022/23	Performance to date (2023/2024)	Target (2024/2025)
Percentage of eligible schools connected to N4L’s network	100.0%	100.0%	100.0%	100.0%	99.9%

Managed Wi-Fi

Te Mana Tūhono: Equipment Replacement and Support

N4L and our partners have been extending our services into classrooms across New Zealand, migrating schools to N4L’s Managed Wi-Fi service so we can further connect, protect and support them. This programme has three phases, the first phase (supporting ageing equipment while schools were in the pipeline for a upgraded network) of which has been completed. With the completion of phase one, phases two and three are well underway, and will be a priority for N4L during the next two to three years:

Equipment Replacement (ER)

N4L and our panel of IT providers are migrating all schools and kura to the latest Managed Wi-Fi by 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 program concludes, all schools and 900,000 users will use infrastructure that N4L has designed, installed, and now manages.

It will be the single largest distributed and managed Wi-Fi network in New Zealand. After the replacement, N4L’s Customer Support team can provide greater support to schools, including the ability to monitor internal network performance and the ability to troubleshoot many issues remotely. The rollout of this phase is progressing well and is forecast to have delivered equipment replacement to around 1,800 schools by the end of 2024/25.

Secure Access

Secure Access is a programme which securely registers school network users and devices onto the network, enabling schools and kura to set up distinct networks for specific user groups, e.g. staff, students or guests. This improves the security of the 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. The rollout of phase three is progressing well, following a little behind phase two, with around 1,000 schools and kura forecast to have migrated to Secure Access.

Key achievement	2020/21	2021/2022	2022/23	Performance to date (2023/2024)	Target (2024/2025)
Number of schools' hardware replaced	Target: 361 Annual: 369	Target: 260 Annual: 286 1 partial install (Access Point only)	Target: 247 Annual: 189 293 partial installs (Access Point only)	Full year targets: Full replacement 309 Switch only 90 Access Point only 89 Performance to date (Q3): Full replacement 223 Switch only 71 Access Point only 81	Target: 475 Full replacement 244 Switch only 231
Number of schools provided with Secure Access services	Target: 76 Annual: 83	Target: 250 Annual: 281	Target: 250 Annual: 89	Full year target: 98 Performance to date (Q3): 16	Target: 452

Managed Cybersecurity

Safe & Secure Internet

Safe & Secure Internet provides a strong level of protection against identifiable internet threats and objectionable content. Our recommended settings for Safe & Secure Internet cover: firewall rules, harmful content filtering, Domain Name System filtering, Distributed Denial of Service protection and Google SafeSearch.

In 2023/24, 95.8% of state and state-integrated schools and kura in New Zealand had agreed to opt-in to N4L's Safe & Secure Internet and apply the recommended settings, noting that as schools make changes to their technology infrastructure, they can move out of compliance with the standard. Over 2024/25, N4L will continue to work with schools to maintain compliance.

Key achievement	2020/21	2021/2022	2022/23	Performance to date (2023/2024)	Target (2024/2025)
Number of schools meeting N4L's Safe & Secure Internet standard*	91.3%	94.8%	95.4%	95.8%	93.5%

* Percentages apply to Managed Network 2.

Security Operations Centre

N4L protects schools and kura through N4L’s Security Operations Centre (SOC), providing all state and state-integrated schools access to cybersecurity support. The SOC is responsible for protecting all schools in New Zealand against cyber threats. SOC analysts perform round-the-clock monitoring of the N4L network and investigate any potential security incidents. N4L will continue to deliver on this opportunity through the operation of the SOC.

The SOC enables 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 350,000 events per second, the SOC uses an advanced security information and event management (SIEM) system, coupled with machine learning and AI, to identify and respond to threats. The SOC collects data from the largest distributed managed security network in New Zealand. Alongside operating the SOC, expanding N4L’s offerings of products and services will help to ensure we remain resilient to new and emerging threats.

In addition to the Safe & Secure Internet 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.

Email Protection

Email is the most common way people are targeted in online attacks. Any school, regardless of size, can be a potential target for attacks and should have increased levels of protection in place. To further protect schools and kura from the increasing number of email-based cyber threats, N4L provides an industry-leading inbound Email Protection solution.

N4L’s service is already in use by over 1,500 schools and kura and, over 2024/25, a further 200 schools will be migrated to the service.

Support services

Customer satisfaction

N4L maintains a track record of customer satisfaction, with satisfaction scores consistently exceeding 90% since our inception in 2012. This achievement is partly attributed to the quality of our products, but equally important is the comprehensive support service we provide. This encompasses targeted communications, face-to-face engagement and our award-winning Customer Support, Network, and Security Operations teams, which offer expert support for incidents affecting one or more schools nationwide.

Over 2024/25, N4L will continue to place our customers at the centre of all we do, aiming to maintain our track record of customer satisfaction above 90%.

Key achievement	2020/21	2021/2022	2022/23		Target (2024/2025)
Principal and/or operational contact at each state and state-integrated school satisfaction with the performance of N4L delivering the Managed Network and associated services	96.5%	93.5%	91.2%	92.1%	90% ‘satisfied’ or ‘very satisfied’ response from

Note: the primary drivers of the marginal decline in overall customer satisfaction can be attributed to delays in the Equipment Replacement programme caused by international supply chain disruptions.

MyN4L - insights and actions for kaiako to protect ākonga

MyN4L is N4L’s self-service platform that will give schools and kura more visibility and control of their N4L-provided services and data by providing a range of tools that touch on network, cybersecurity and online safety initiatives. Access to these tools and the levels of visibility and control provided, increases as schools access more of N4L’s products and services.

Once on MyN4L, schools with a Managed Network connection will be able to request changes to their school’s filtering settings and, when they complete Equipment Replacement, monitor the performance of their newly-installed network equipment performance. Secure Access completion offers visibility of the content being accessed on a school’s network, as well as the ability to manage guest access and registration of select devices to their Wi-Fi network. Schools with Email Protection will also be able to view and release legitimate emails from quarantine. Over the next year, N4L will continue to develop MyN4L, delivering functionality that will provide schools and kura with data and insights that support them to manage their schools’ digital citizenship policies.

Data and insights

N4L will also work with the Ministry of Education and other partners to use N4L’s data to advance evidence-based decision-making in education, both to justify investment and to create evidence that supports learning. This work will be taken forward within a robust framework to ensure that privacy and data sovereignty considerations are built in.

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, as well as taking a proactive approach, keeping abreast of best practices internationally and looking to anticipate and incorporate these as technology continues to develop. N4L will continue to ensure this level of trust is upheld.

Ā MĀTOU TIKANGA MAHI

HOW WE WORK

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 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 five non-executive Directors:

- Jeremy Banks (Chair)
- Sharon Cresswell (Deputy Chair)
- Elle Archer
- Hon Clare Curran (Chair, HR and Remuneration Committee); and
- Ming-chun Wu (Chair, Audit and Risk Committee).

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

- Accounting; financial and statutory reporting; and responsibilities under the Companies Act 1993 and other legislation; and
- Identification and management of all material risks, both financial and non-financial, through the operation of a robust internal control and audit environment.

The role of the HR and Remuneration Committee is to perform, on behalf of the Board, such tasks 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 including implementation of and monitoring against the company’s performance management framework. These include:

- N4L’s remuneration and human resources policies,
- the performance and remuneration of the Chief Executive Officer, and
- the recruitment of members of the Senior Leadership Team.

Leadership

- Larrie Moore, Chief Executive Officer
- Michelle Leadsom, Chief Customer and Brand Officer
- Gavin Costello, Chief Digital Officer
- Gill Mahony, Chief Financial Officer
- Kim Hegarty, Chief People Officer
- Alexander Brown, Chief Government Affairs Officer

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, the 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.

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

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

N4L’s Constitution also requires it to report to shareholding Ministers any activities that would be restricted under sections 161-164 of the Crown Entities Act 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.

**TE HAUORA ME TE ĀHEITANGA O
TE WHAKAHAERENGA**
ORGANISATIONAL HEALTH AND
CAPABILITY

Good employer

N4L has established an open, caring and collaborative culture and our employees are highly engaged. With a strong values base, N4L people are proud to deliver impressive outcomes for those we serve. Maintaining a high-performing, inclusive and collaborative culture, and continuing to celebrate what’s brilliant and improve on aspects that are meaningful to our people, is a top priority. Our annual employee engagement survey is how we monitor our culture, measure employee engagement and prioritise areas for improvement.

A key lever in N4L’s success is the right people in the right roles. The Company requires a diverse mix of technology, commercial, project delivery, relationship management and operational expertise, and a mindset of empathy for our 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 New Zealand and the teachers and learners we serve.

The Company is focused on developing, engaging and retaining our team, and ensuring N4L is able to attract highly-skilled individuals who align with our values. It does this by developing and operating personnel policies that are consistent with the principles of being a good employer.

Our people plan is focused on doing the basics brilliantly, quality conversations that mean our people can leave a legacy, developing and growing ourselves and others, and improving in a way that’s energising for our people and valuable for our customers. N4L’s Chief People Officer is a member of the Senior Leadership Team, focused on ensuring that the Company acts at all times as a good employer.

Health and safety

N4L is committed to complying with our obligations under the Health and Safety at Work Act. We review hazards and controls annually with the support of a Health and Safety consultant and the input of our Health and Safety Committee. Our hazard review informs our annual health, safety and wellbeing plan which focuses on activities related to controlling hazards, wellbeing activity and national campaigns, line management education and engagement, and governance and reporting.

Our Health and Safety Committee members meet fortnightly. The committee members are allies in delivering our health and safety plan and provide an important voice in terms of being confident that controls are adequate and being adhered to.

Incidents and near misses are reported to the Board monthly along with any key information. Where required, following incidents, we’ve engaged an external and qualified investigator.

We ask our people questions relating to the extent health, safety and wellbeing are valued at N4L and regarding the confidence people have in raising issues related to the Health and Safety Committee. These questions support us to be confident that N4L has a strong safety culture. Ninety percent of our people have responded positively to these two questions.

Financial sustainability

N4L has requested funding commitments from the Crown sufficient to ensure Managed Network services can be sustainably delivered and N4L can meet its operational requirements, and expects to confirm these before the beginning of the 2024/25 year. 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.

**ME PĒHEA E MŌHIO MĒNĀ KA
ANGITU AI MĀTOU**
HOW WE WILL KNOW WE HAVE
SUCCEEDED

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:

Managed Internet

- Percentage of eligible schools connected to the internet by N4L (eligible schools are defined as state schools, state-integrated schools and partnership schools), and

- Percentage of schools which voluntarily disconnect from N4L’s internet service.
- Network availability - metropolitan and non-metropolitan schools.

Managed Wi-Fi

- Number of schools’ Wi-Fi hardware replaced.
- Number of schools provided with Secure Access services.

Managed Cybersecurity

- Compliance with all recommendations from the National Cyber Safety Centre.
- Percentage of schools meeting N4L’s Safe & Secure Internet standard.

Support services

- Principal and/or operational contact at each state and state-integrated school’s satisfaction with the performance of N4L in administering the Managed Network and associated services.
- The number of minutes to acknowledge a service request – measured per month,
- Percentage of total calls taken, and
- The number of minutes to resolve an incident – measured per month.

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 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.

N4L will meet the Minister’s expectations as set out in her Letter of Expectations.

TE TAUĀKĪ KAWATAU TUTUKINGA 2024/25

STATEMENT OF PERFORMANCE EXPECTATIONS 2024/25

Ministerial expectations

Shareholding 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.

Value for money

Ministers have expressed an expectation that N4L will manage its finances in a way that is effective, efficient, and responsive. N4L will continue its efforts to demonstrate value for money from its expenditure and investment, and exemplify the robust stewardship of public funds.

N4L will identify opportunities to drive down costs and deliver operational improvements, working with the Ministry of Education to ensure that nature, scope and pricing of services recognises Government’s savings priorities while being at a level that provides operational sustainability for N4L.

In accordance with Government’s expectations, N4L employs a responsible and transparent approach to executive remuneration, and disclosing this remuneration per the NZX Corporate Governance Code.

Managed Network 3.0

N4L will prioritise the delivery of the Managed Network 3.0 programme to ensure that schools have a seamless transition to the improved network with enhanced internet and safety and security functionality. N4L will complete the design phase of the Managed Network 3.0 and begin rollout to schools during the 2024/2025 year.

Te Mana Tūhono programme

N4L will also prioritise the continued delivery of its elements of the Te Mana Tūhono programme, namely extending N4L’s management of connectivity to the classroom through taking on the administration of school Wi-Fi networks. This programme of work will ensure that school internal Wi-Fi networks remain fit-for-purpose and able to meet learners’ changing needs, as well as delivering improvements in underlying safety and security.

N4L is now operating the Security Operations Centre (SOC) that advises and supports schools on cybersafety and security, and will utilise the SOC to drive improvements in learners’ online experience.

Optimising value for the Crown

N4L will investigate potential improvements in the efficiency of technology provision in education through a greater use of centralised procurement of technology. The current devolved model, where schools, communities and parents make all of their own individual technology choices, can result in poor outcomes in terms of cost and functionality. Whether through direct delivery or through partnering with the private sector to deliver accredited products and services, there is an opportunity to leverage N4L’s expertise and experience to lift standards and reduce effort and cost for schools and kura.

N4L is the custodian of a large and growing quantity of data about learners’ online behaviours and experiences, and will explore opportunities to leverage this for impactful insights that support evidence-based decision-making in the system. This will include lifting its own data maturity while working with our partners to identify potential areas of productive cooperation.

Increasing efficiency

N4L will continue its focus on the efficient and effective use of public funds, recognising Government priorities regarding saving, while ensuring that N4L operates in an operationally sustainable way.

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 schools, N4L will explore ways to leverage its balance sheet and commercial relationships to deliver on the Government’s priorities for technology and education.

NGĀ TUTUKINGA, NGĀ INENGA, ME NGĀ WHĀINGA KORE PŪTEA

NON-FINANCIAL PERFORMANCE, MEASURES AND TARGETS

N4L has identified a number of key metrics against which it will assess its non-financial performance. All measures and targets are based on the operation of the Managed Network in its current form. As N4L intends to start the rollout of the next iteration of the network in March 2025, performance will continue to be measured against the existing Managed Network.

Managed Internet			
Key metric	Performance 2022/23	Performance to date (2023/2024)	Target (2024/2025)
Percentage of eligible schools connected to the Internet by N4L	100.0% Target: 99.9%	100.0% Target: 99.9%	99.9%
Percentage of schools that voluntarily disconnect from N4L's internet service	0.0% Less than 0.5%	0.0% Less than 0.5%	Less than 0.5%
Network availability - metro schools	99.998% Target: >99.863%	Q1: 99.989% Q2: 99.999% Q3: 99.996% Target: >99.863%	Metro schools > 99.863%
Network availability - non metro schools	99.992% Target: >99.817%	Q1: 99.999% Q2: 99.999% Q3: 99.998% Target: >99.817%	Non-metro schools > 99.817%

Managed Wi-Fi			
Key metric	Performance 2022/23	Performance to date (2023/2024)	Target (2024/2025)
Number of schools' with hardware replaced	Full replacement: 189 + 293 partial installs Target: 247	Full replacement 223 Switch only 71 Access Point only 81 Target: Full replacement: 309 Switch only: 90 Access Point only: 89	Full replacement: 475
Number of schools provided with Secure Access services	89 Target: 250	Q1: 0 Q2: 0 Q3: 16 Target: 98	452
Managed Cybersecurity			
Key metric	Performance 2022/23	Performance to date (2023/2024)	Target (2024/2025)
Percentage* of schools meeting N4L's Safe & Secure Internet standard	95.4% Target: 92.5%	95.8% Target: 93.5%	93.5%
Implement N4L's cybersecurity framework, aligned with guidance from the National Cyber Safety Centre	Threat level "Guarded" Zero major security breaches Zero data breaches	The current cybersecurity threat level remains as "Guarded" Zero major security breaches Zero data breaches	Continuous improvement of controls' effectiveness against NIST/ NZISM N4L cybersecurity framework

* This target may change depending on progress of the MN3 rollout. This metric also shifts as schools change their network settings, so the level of compliance shifts over time.

TE TUTUKINGA PŪTEA

FINANCIAL PERFORMANCE

Key metric	Performance 2022/23	Performance to date (2023/2024)	Target (2024/2025)
Principal and/or operational contact at each state and state-integrated schools satisfaction with the performance of N4L delivering the Managed Network and associated services	91.2% Target: 90% 'satisfied' or 'very satisfied' response from respondents	92.1% Target: 90% 'satisfied' or 'very satisfied' response from respondents	90% 'satisfied' or 'very satisfied' response from respondents
Time to acknowledge a Service Request for a move, add or change (MAC)	88% Target: 80% of all requests under 8 Support Hours	86% Target: 80% of all requests under 8 Support Hours	80% of all requests under 8 Support Hours
Phone answering time	93% Target: At least 85%	89% Target: At least 85%	At least 85% within 30s
Time to Resolve by Tier 1 and Tier 2 Service Desk	93% Target: 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	94% Target: 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	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.

N4L will meet the Minister’s expectations as set out in her Letter of Expectations.

Expected revenues and proposed expenses

Sources of income

The Company expects to receive income from:

- The Managed Services Statement of Work (SOW),
- The Project Services SOW, 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,
 - Secure Access services, and
 - Cybersecurity Tacticals in Schools.

- Providing Managed Network services and support services to Independent Schools.

The Company may also receive additional income from other Government contracts.


Statement of significant assumptions


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

The most significant assumptions reflected in these financial statements are:

- Updated pricing and service schedules under the Managed Services SOW and Project Services SOW with the Ministry of Education will be signed.
- N4L owns the network equipment for Managed Network 3.
- The inclusions for Managed Network 3 are based on the best information available at the time.

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


Jeremy Banks | Chair
27 June 2024


Sharon Cresswell | Deputy Chair
27 June 2024

NGĀ PŪRONGO PŪTEA ANAMATA

PROSPECTIVE FINANCIAL STATEMENTS

Prospective Statement of Comprehensive Income for the year ended 30 June 2025

	2023/24 Forecast \$000	2023/24 SPE \$000	2024/25 SPE \$000
Income from Non-Exchange Transactions	56,544	55,313	60,672
Income from Exchange Transactions	1,542	526	1,787
Total Income	58,086	55,839	62,459
Expenditure			
Network Services	18,808	18,113	18,948
Transition Support	1,315	950	1,912
Board Operations	224	243	243
Audit Fees	72	76	78
Other General and Overhead Expenses	35,115	36,260	40,517
Total Expenses	55,534	55,642	61,698
Net Surplus/(Deficit)	2,552	197	761
Total Comprehensive Income/(Loss) for the Period	2,552	197	761

Prospective Statement of Changes in Equity for the year ended 30 June 2025

	2023/24 Forecast \$000	2023/24 SPE \$000	2024/25 SPE \$000
Opening Balance	6,604	6,639	9,156
Net Surplus/(Deficit)	2,552	197	761
Total Income/(Loss) for the Period	2,552	197	761
Closing Balance	9,156	6,836	9,917

Prospective Statement of Financial Position as at 30 June 2025

	2023/24 Forecast \$000	2023/24 SPE \$000	2024/25 SPE \$000
Current Assets			
Cash and Cash Equivalents	7,474	5,942	10,080
Other Current Assets	6,095	5,092	14,571
Total Current Assets	13,569	11,034	24,651
Non-Current Assets			
Property, Plant, Equipment and Intangibles	3,683	2,805	15,681
Total Non-Current Assets	3,683	2,805	15,681
Total Assets	17,252	13,839	40,332
Current Liabilities			
Accruals and Payables	8,069	6,985	30,388
Total Current Liabilities	8,069	6,985	30,388
Non-Current Liabilities			
Lease Incentive	27	18	27
Total Non-Current Liabilities	27	18	27
Total Liabilities	8,096	7,003	30,415
Shareholders' Funds			
Share Capital	14,000	14,000	14,000
Retained Earnings	(4,844)	(7,164)	(4,083)
Total Shareholders' Funds	9,156	6,836	9,917
Total Liabilities and Shareholders' Funds	17,252	13,839	40,332

Prospective Statement of Cash Flows for the year ended 30 June 2025

	2023/24 Forecast \$000	2023/24 SPE \$000	2024/25 SPE \$000
Cash Flows from Operating Activities			
Receipts from Customers	63,198	61,892	89,992
Interest Received	269	76	446
Payments to Suppliers and Employees	(58,746)	(60,248)	(70,408)
Net Cash Inflow from Operating Activities	4,721	1,720	20,030
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	(2,500)	(2,972)	(17,424)
Net Cash Outflow from Investing Activities	(2,500)	(2,972)	(17,424)
Net Increase/(Decrease) in Cash	2,221	(1,252)	2,606
Opening Balance	5,253	7,194	7,474
Closing Balance	7,474	5,942	10,080

NGĀ PITO KŌRERO MŌ NGĀ PŪRONGO PŪTEA ANAMATA

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 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 2025, with comparatives to the forecast and SPE for the current year ending 30 June 2024. The forecast comparatives for 2024/2025 include actual financial results for the period July 2023 to May 2024. 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 compliance 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 27 June 2024. 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 for the sale of equipment.
- (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 deposits 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 accumulated depreciation and impairment losses.

Intangible assets consist of acquired computer software licenses, 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 developing and maintaining 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 the 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 and support 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, which are paid for by the independent schools.
- Estimated income from a network replacement programme, a hardware replacement programme and school security services. The Ministry of Education

pays for these services.

- Exchange revenue relates to equipment sales to schools and IT providers which is recognised at the time of sale.

15. Direct network and product service costs

Network services 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.
- Personnel costs, including estimated salaries and short-term employee benefits 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.



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