2025

vernet

2025 ANNUAL REPORT

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OUR MEMBERS

DEAKIN UNIVERSITY

LA TROBE UNIVERSITY

Federation University

MONASH University

THE UNIVERSITY OF MELBOURNE

RMIT UNIVERSITY

VICTORIA UNIVERSITY MELBOURNE AUSTRALIA

SWINBURNE UNIVERSITY OF TECHNOLOGY

FROM THE CHAIR + CEO



VERNet connects more than three quarters of a million students, academics, researchers, scientists, clinical staff and patients to its high-speed optic fibre network.

In 2025 VERNet redesigned the network in preparation for growing customer demand anticipated over the next decade, while at the same time improving member satisfaction and recording a surplus.

Strategic Investment for the next decade

VERNet's network has served the Victorian education and research sector well since incorporation. Designed and funded to provide 1Gbps services, the company now offers 100Gbps services to universities, TAFEs, schools, and hospitals from Warrnambool to Lakes Entrance.

From 2005 to 2009 the company constructed the network by entering into agreements with rail, emergency services, and utility companies that provided immediate access to assets via swap arrangements, but which limited VERNet's ability to sell capacity to non-research and education customers. Expanding VERNet's customer base to benefit even more Victorians is an important initiative for the company.

VERNet has now awarded fibre and equipment contracts with rail, utility and commercial providers to replace existing commercial arrangements across the 3,000km network. This network refreshment has been made possible by accruing sufficient funds and developing the commercial relationships to release the company from its conditions of use restrictions.

VERNet will create value for its members in the following ways:

- Design, build and operate a world-class regional network to advance the research and education objectives of our members
- Save our members cost and time by leveraging the buying power of the organisation to deliver significant cost savings to each and every shareholder
- Foster collaborative, trusting working relationships with our members
- Extend the VERN to provide services to underserviced suburban and regional hubs
- Partner with other providers in the sector to stimulate higher utilisation and growth of the network
- Allow for a higher yield on assets by releasing the network from conditions of use

Financial Performance

VERNet recorded a modest surplus of $0.21m for the year ended 31 December 2025 as the company restructured its cost base to prepare for unrestricted use for the next decade. The selection of the incumbent fibre suppliers via open competitive tender will minimise the disruption to member networks and keep costs low during the transitional phase from 2026 to 2027.

The company generated net cash flows from operating activities of $3.36m and deployed plant, equipment, and network assets worth $1.37m.

Looking Ahead

VERNet enters 2026 with:

- A clear, funded investment plan for the next decade.
- A strong balance sheet with cash and other financial assets of $28m and no debt.
- A diversified and growing customer base.
- A Net Promoter Score rated as Excellent.

The company is fortunate to have a very productive and collaborative relationship with its member customers. Member satisfaction and ensuring value for money are our top priorities. We would like to thank the Directors of IT and CIOs for their support and cooperative efforts and the VERNet Board for their strategic guidance, patience and stewardship of the company. We look forward to the next phase of VERNet's development with great anticipation.

Professor Ian Young
Chair

Roger Tanton
Chief Executive Officer

2025 HIGHLIGHTS

$210k — SURPLUS

NET ASSETS — $35.98m

83.33 — MEMBER NET PROMOTER SCORE

NET CASH FLOWS FROM OPERATING ACTIVITIES — $3.36m

3,000km — FIBRE NETWORK



Culturally responsive design: Munarra Centre's unique architecture features an Aboriginal flag inspired roof and is embedded in a learning landscape that echoes Country.

(IMAGE: MUNARRA CENTRE FOR REGIONAL EXCELLENCE)

VERNET CONNECTS THE MUNARRA CENTRE FOR REGIONAL EXCELLENCE TO THE UNIVERSITY OF MELBOURNE'S WIDE AREA NETWORK

The University of Melbourne is a founding member of the Victorian Education and Research Network (VERN) and has a history of involvement and collaboration with the Goulburn Murray region spanning more than two decades.

In 2009, VERNet completed a fibre optic network connecting Bendigo, Shepparton, Dookie and Wodonga. This network has since been strengthened through the provision of backup infrastructure linking Wodonga to Melbourne, offering greater connectivity and resilience for member organisations, including the University of Melbourne.

In recent years, VERNet delivered a high-speed 1Gbps service to the University's Munarra Centre for Regional Excellence on Yorta Yorta Country in Shepparton, further supporting regional connectivity and capability.

Funded by a $30.2 million commitment from the Allan Labor Government and a $6.65 million contribution from the University of Melbourne, the Munarra Centre is an Indigenous-led pathways-based education facility for both Indigenous and non-Indigenous students – the first of its kind in Australia. With Shepparton housing the highest Indigenous population in Victoria outside of metropolitan Melbourne, the Centre will significantly uplift opportunities and pathways for the community. The Centre officially opened its doors in August 2024, celebrating culture, community, and future possibilities.

The Munarra Centre resides on lands of the Kaielthban of the Yorta Yorta. Munarra is a Yorta Yorta word that means 'thunder', resonating with the Centre's aspiration to empower and improve education pathways for Yorta Yorta communities and the broader Goulburn Murray region. Key partners - Munarra Limited, the Kaiela Institute, Rumbalara Football Netball Club, and the University of Melbourne - worked closely with local Elders and the broader community to ensure the Centre reflects a local vision.

> "Munarra represents much more than a physical space, it is laying the foundation for a future where Indigenous Australians' history, culture, and potential are not just acknowledged but integral to our nation's progress. This is about true parity and shared prosperity for all."
>
> – PROFESSOR BARRY JUDD, DEPUTY VICE-CHANCELLOR (INDIGENOUS) THE UNIVERSITY OF MELBOURNE

Inside the Centre, yarning rooms, an Elders' lounge and family-friendly study areas are designed to affirm the deep integration of culture in both learning and community life.

The Munarra Centre aspires to have an interdisciplinary teaching focus on allied health services, renewables, trades, early childhood, community services, sports, science, engineering, nursing, agriculture, cyber security, cultural identity and entrepreneurship.

A key initiative within the Munarra Centre is the Academy of Sports, Health and Education (ASHE). Established in 2004, in partnership between the University of Melbourne and the Rumbalara Football Netball Club, ASHE provides young Indigenous people with a supportive educational environment to transition into further education or employment. It embeds Indigenous culture across its curriculum and programs, prioritising Indigenous knowledge transfer and cultural exchange, while striving for excellence in sports, health sciences and education.

Between 2020 and 2023, 338 students attended ASHE, with 123 progressing to further education and 82 entering employment — outcomes exceeding regional and state averages for young people from lower socio-economic backgrounds.

In 2025, the Munarra Centre received four honours at the Victorian Architecture Awards in recognition of its design excellence and cultural significance. Shaped by the community it serves, the project stands as an institution designed to grow and evolve into a future hub for sport, health, education, and entrepreneurship.



The Munarra Centre for Regional Excellence resides on lands of the Kaielthban of the Yorta Yorta. Munarra is a Yorta Yorta word that means 'thunder'.

(IMAGE: MUNARRA CENTRE FOR REGIONAL EXCELLENCE)

SOURCE: WWW.UNIMELB.EDU.AU

OUR CUSTOMERS

HEALTH

Gippsland Health Alliance
Royal Victorian Eye & Ear Hospital
South West Alliance of Rural Health
Northern Health
Melbourne Health
Western Health
Grampians Health

RESEARCH

Centre for Eye Research Australia
Walter and Eliza Hall Institute of Medical Research

COMMUNITY

Gunaikurnai Land and Waters Aboriginal Corporation
Uniting
The Bouverie Centre: Victoria's Family Institute

UNIVERSITY

Deakin University
Federation University Australia
La Trobe University
Monash University
RMIT University
Swinburne University of Technology
The University of Melbourne
Victoria University

TAFE

Box Hill Institute
TAFE Gippsland
Melbourne Polytechnic
Bendigo Kangan Institute

UNIVERSITY RESIDENCE

Trinity College

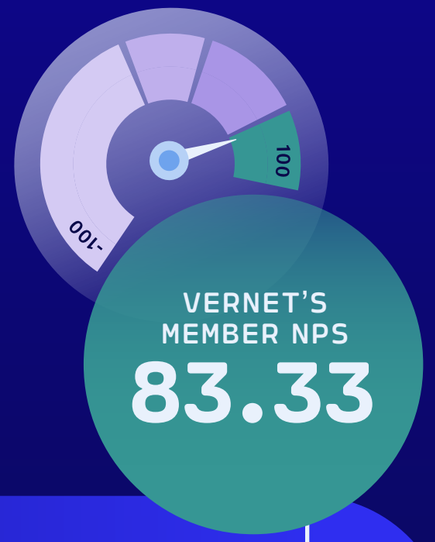
EDUCATION K–12

Haileybury
Marcellin College

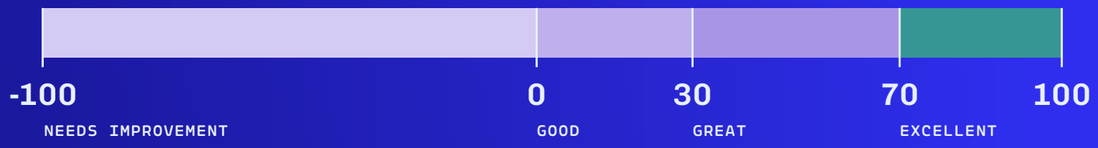
2025 CUSTOMER SATISFACTION

Member Net Promoter Score

VERNet's 2025 Member Satisfaction Survey achieved a Net Promoter Score (NPS) of **83.33**, positioning the company in the 'excellent' range.



The NPS Scale



2025 Site Availability

LAYER 1	100% SITES WITH DIVERSE SERVICE(S)	100% SITES WITH NON-DIVERSE SERVICE(S)
LAYER 2/3	100% SITES WITH DIVERSE SERVICE(S)	100% SITES WITH NON-DIVERSE SERVICE(S)

Site availability is calculated excluding scheduled outages, force majeure events, and other criteria beyond the reasonable control of VERNet.

THE VICTORIAN EDUCATION AND RESEARCH NETWORK

01 Warrnambool
02 Ballarat
03 Bendigo
04 Shepparton
05 Dookie
06 Wodonga
07 Geelong
08 Kyndryl (IBM)*
09 Sunshine
10 NextDC M1*
11 Broadmeadows
12 Bundoora
13 Equinix ME5*
14 CBD
15 Lilydale
16 Box Hill
17 Clayton
18 Frankston
19 Fujitsu*
20 Berwick
21 Churchill
22 Loy Yang
23 Sale
24 Bairnsdale
25 Lakes Entrance

* Data centres



Melbourne CBD

NETWORK REFRESH

VERNet's original mandate was to build a fibre optic network that would provide member connectivity for twenty years. Operating costs were to be shared amongst members, but depreciation was unfunded. A key objective of the company was therefore to accumulate enough capital over the life of the current network to replace both fibre and equipment assets without requiring a further capital injection from members.

In subsequent years the company diversified its customer base to provide additional revenue streams and share the benefits of the network with other entities in adjacent verticals such as health. This was particularly beneficial in regional areas where high bandwidth and diverse services were not available and has had the additional benefit of enabling the company to expand its fibre footprint across the state.

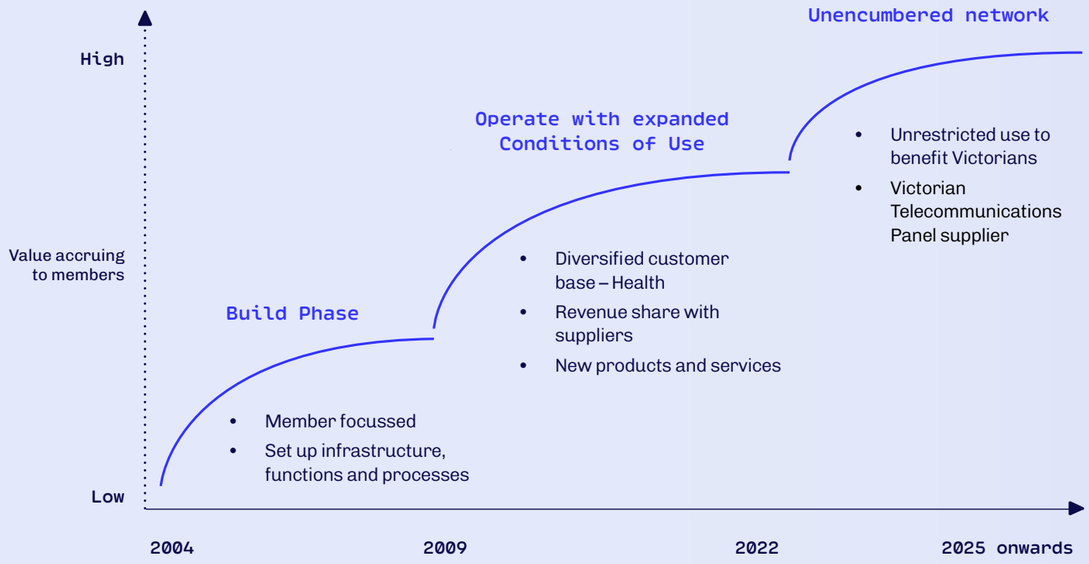
The company incorporated four principal sources of fibre infrastructure:

- VERNet built underground fibre
- Fibre built and swapped for rail assets
- Fibre procured, built or swapped with utility providers
- Fibre procured from commercial carriers

Twenty years later both the marketplace and customer requirements have changed dramatically. Significant fibre builds have increased the availability of fibre products across Victoria and customer demand has grown exponentially. Most importantly the company has accrued enough capital to replace both fibre and equipment without additional member capital contributions.

VERNet Roadmap

Unlocking further value in the network



In December 2023 VERNet released a request for tender to replace the fibre network and leverage the increased availability of fibre assets to provide a scalable platform for growth in both member and non-member services for the next decade.

There are three key objectives of the network refresh:

1. Unrestrict VERNet's network to increase its addressable market

The scalability of the VERN allows the company to add services and bandwidth at very low marginal cost. However, at incorporation restrictions from suppliers were accepted to reduce the capital required and made providing services to non-members uneconomic.

As part of negotiating fibre contracts for the network refresh, the company is no longer restricted to education and research activities and now may provide services for all purposes. This will enable VERNet to reach new customers in verticals that were previously not viable and employ funds generated from these transactions to keep member costs low.

2. Redesign the VERN Backbone to meet future demand

The VERN was originally designed to provide 152 committed member services at 1Gbps. The company now connects over 500 services across the state and member and non-member requirements have increased dramatically over time with the demand for 100Gbps services rising.

As part of determining the fibre requirements to be included in the tender, the company redesigned its fibre network to meet the future requirements of both members and non-members. VERNet's strategy of using rail, utility, and commercial suppliers for backbone connectivity provides the diversity required to service its customers with high levels of availability. VERNet will also continue to increase the reach of the network by building tails to new sites and augmenting capacity.

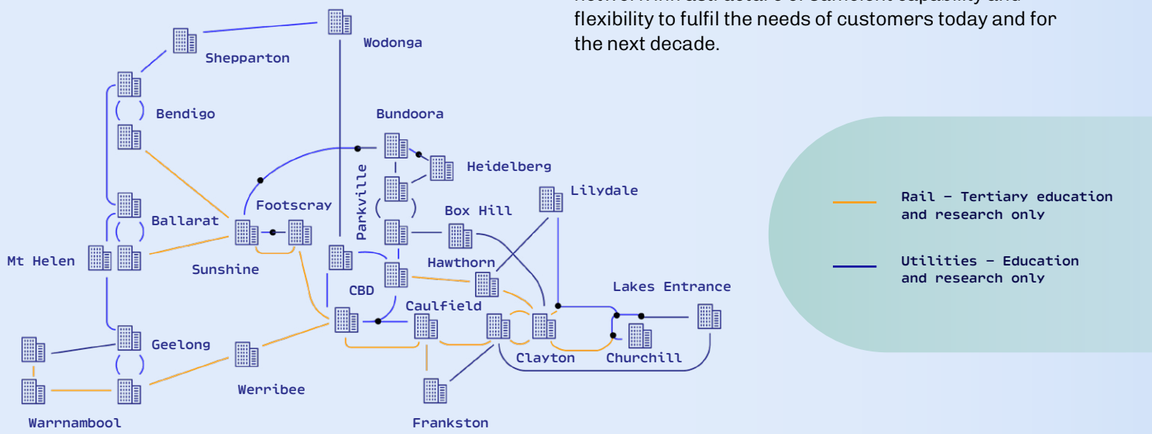
3. Increase capacity to 400Gbps

The vision of the members of VERNet at incorporation was the creation of a scalable network where bandwidth would no longer be limited. Fibre infrastructure could be leveraged to provide ever increasing bandwidth as technology advanced over the years. This approach was essential to ensure that member institutions could enjoy world class services within their funding constraints.

VERNet supports multiple networks with varied needs - in terms of functionality, capacity, performance and reach – over a single common shared infrastructure. This provides customers with autonomy to accommodate their specific security and operational management needs.

Customers are now requesting an increasing number of 100Gbps services. As a result, and in anticipation of further growth in demand, the company will increase network capacity to 400Gbps, thereby providing a base network infrastructure of sufficient capability and flexibility to fulfil the needs of customers today and for the next decade.

Network refresh will eliminate current conditions of use



OUR PRODUCTS

VERNet's products enable customers to establish highly reliable network connectivity across metropolitan and regional Victoria.

Our services are underpinned by a carrier grade, resilient, low-latency fibre-based core network. Customers can connect sites and data centres, as well as provision connectivity to third party organisations.

Data Centre Connect

Our carrier grade data centre products enable customers to connect to internal or external data centres. Customers can use these products for a wide range of site connectivity requirements including VPNs, Ethernet and Fibre Channel.

VERNet also offers colocation space in NEXTDC M1 & NEXTDC M2 data centres in Melbourne. We can provide spaces starting from a quarter rack, with a range of power ratings from 1kW, as well as onsite support if required.

Wide Area Network

VERNet offers scalable, flexible, high speed Wide Area Network (WAN) products that meet a wide range of site connectivity requirements.

POINT-TO-POINT

- Layer 1 optical (xWDM, OTN)
- Up to 100 Gigabit Ethernet
- Low Latency
- Jumbo frame support
- Customer VLANs supported

POINT-TO-MULTIPOINT

- Layer 2 or Layer 3 VPNs
- Up to 100 Gigabit Ethernet
- QoS. Multicast
- Jumbo frame support

MULTIPOINT

- Layer 2 or Layer 3 VPNs
- Up to 100 Gigabit Ethernet
- QoS. Multicast
- Jumbo frame support

Internet

VERNet provides customers with high performance carrier grade internet. A wide range of service rates are available, with unlimited usage and no volume or time limitations applied.

To suit a wide range of organisations with varying requirements and budgets, VERNet offers three Internet product tiers.

VERNET WHOLESALE

- Extensive coverage
- Bandwidth flexibility, scalability
- Local NOC, 24×7×365
- Full BGP table
- 1:1 contention rate
- SLA

VERNET BUSINESS PREMIUM

- Extensive coverage
- Bandwidth flexibility, scalability
- Local NOC, 24×7×365
- Full BGP table or default route
- Competitive pricing
- SLA

VERNET BUSINESS STANDARD

- Extensive coverage
- Bandwidth flexibility, scalability
- Local NOC, 24×7×365
- Competitive pricing

Custom Engineering

If you don't have the resources to design your own WAN, realise your disaster recovery and storage requirements or configure and manage your own internet service; we can help.

We will work with you to achieve your business requirements in a professional, efficient manner and provide ongoing access to Engineering, Account Management and NOC support for the life of your service.

Cloud Connect

VERNet offers many network products that provide fast, secure connections between you, other organisations and service operators at a variety of speeds.

We provide a range of connectivity options to the following public cloud service providers: Microsoft Azure, Google Cloud Platform, IBM Cloud, Oracle, Megaport and Amazon Web Services.

BOARD OF DIRECTORS



PROFESSOR IAN YOUNG AO

CHAIR AND INDEPENDENT DIRECTOR

BE (Hons) James Cook, MEngSc James Cook, PhD James Cook, FTSE, HonFIEAust, CPEng



DOCTOR BRONTE ADAMS AM

INDEPENDENT DIRECTOR

D.Phil (Oxon), Executive MBA (McKinsey & Co), BA (Hons, UWA), FAICD, IPAA Fellow



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Master of Business Administration from the Melbourne Business School, Bachelor of Science from the University of Melbourne



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LLM (New Technologies Law) (First Class Hons), BA (InfoSci) (Hons, University Medal), FACS, GAICD



PROFESSOR DUNCAN BENTLEY

VICE-CHANCELLOR AND PRESIDENT, FEDERATION UNIVERSITY AUSTRALIA

BA, LLB (Cape Town), LLM (London), LLM (Corp & Comm), PhD (Bond) FCA, CTA, FAICD, FAAL



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STUART HILDYARD

CHIEF DIGITAL OFFICER AND EXECUTIVE DIRECTOR CAMPUS SERVICES, VICTORIA UNIVERSITY

Bachelor of Science (First Class Hons) University of Canterbury, NZ

THE VERNET TEAM



ROGER TANTON
CEO



REBECCA PEART
ACCOUNT AND CONTRACTS MANAGER



CAMERON MCDONNELL
HEAD OF INFRASTRUCTURE



JACKIE HILL
FINANCE AND ADMINISTRATION MANAGER



SUSAN HADLEY
ADMINISTRATION OFFICER



JAMES MORGAN
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MITCHELL BLAIR
SYSTEMS ENGINEER



ROBERT MCKENDRICK
NETWORK ENGINEER



BRANDON PERRY
ASSOCIATE PROJECT MANAGER



PUATAI SIM
ASSET MANAGEMENT SYSTEM SPECIALIST



ROBYN HOLLINGWORTH
SENIOR NETWORK SPECIALIST



DANIEL SZALINSKI
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NICHOLAS FRIZZEL
NETWORK OPERATOR



SAM RICHARDSON
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