



ANNUAL REPORT

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FROM THE CHAIR + CEO



2024 HIGHLIGHTS

VERNet's network refresh is well underway and has the potential to fundamentally change how the company benefits members in the future.

In 2024, VERNet went to market to replace the network's fibre backbone. Much has changed since incorporation in 2004, and the scalability of the VERN offers members high bandwidth services at more than one hundred times the original contracted requirements. VERNet's customer base now includes hospitals and other government entities, and this diversification has funded much of the geographic expansion of the network, particularly in regional areas.

The company recorded its tenth consecutive surplus in 2024, once again returning \$0.4M to members as a retention rebate and increasing the surplus after rebates by 49%. These retained earnings will now fund the replacement of fibre assets to futureproof the network for the next decade, greatly simplifying service provision to members and the acquisition of new customers. Once completed in 2027 the refresh will enable further expansion of the customer base, keeping member costs low while at the same time offering services ahead of those available in the commercial market.

Competing in the open market for business in a challenging economic environment, VERNet will continue to adhere to the following key principles;

PROVIDE COMPETITIVENESS: enabling Victorian universities and researchers to compete nationally and internationally through fast, reliable access to data;

A LONG-TERM INVESTMENT HORIZON: meeting exponential growth in data usage over the next decade;

PROCURE FIBRE: procure high capacity, cost-effective dark fibre as the core of the infrastructure using a mix of build and buy on the best commercial terms;

NATIONAL ALIGNMENT: provide complementary services to the national provider;

VICTORIAN ADVANTAGE: supporting economic, social, civil and cultural development of rural, regional and metropolitan Victoria.

VERNet strives to understand and support the strategies and initiatives of customers, and where possible develops infrastructure for multiple members and non-members to deliver significant cost savings. This is particularly relevant for health sites where clinical and educational services are required.

The redevelopment of hospital sites and precincts has been a priority in 2024, with VERNet completing services to the new Footscray Hospital, Frankston Hospital and Box Hill Health Precinct. Close coordination with construction companies during development mitigates the high cost of retrofitting services in future years, reducing the cost of services for members.

We would like to thank the VERNet Board, members, and staff for their collegiate and collaborative efforts in 2024. The Victorian University Directors of IT (VDIT) were instrumental in the design of the VERN, and their continued support and guidance has enabled the company to flourish as we look forward to the next phase of the VERN.

Professor Ian Young AO
Chair

Roger Tanton
CEO

\$715K

SURPLUS BEFORE
REBATES

71.4

MEMBER NET
PROMOTER SCORE

\$35.8M

NET ASSETS

\$3.7M

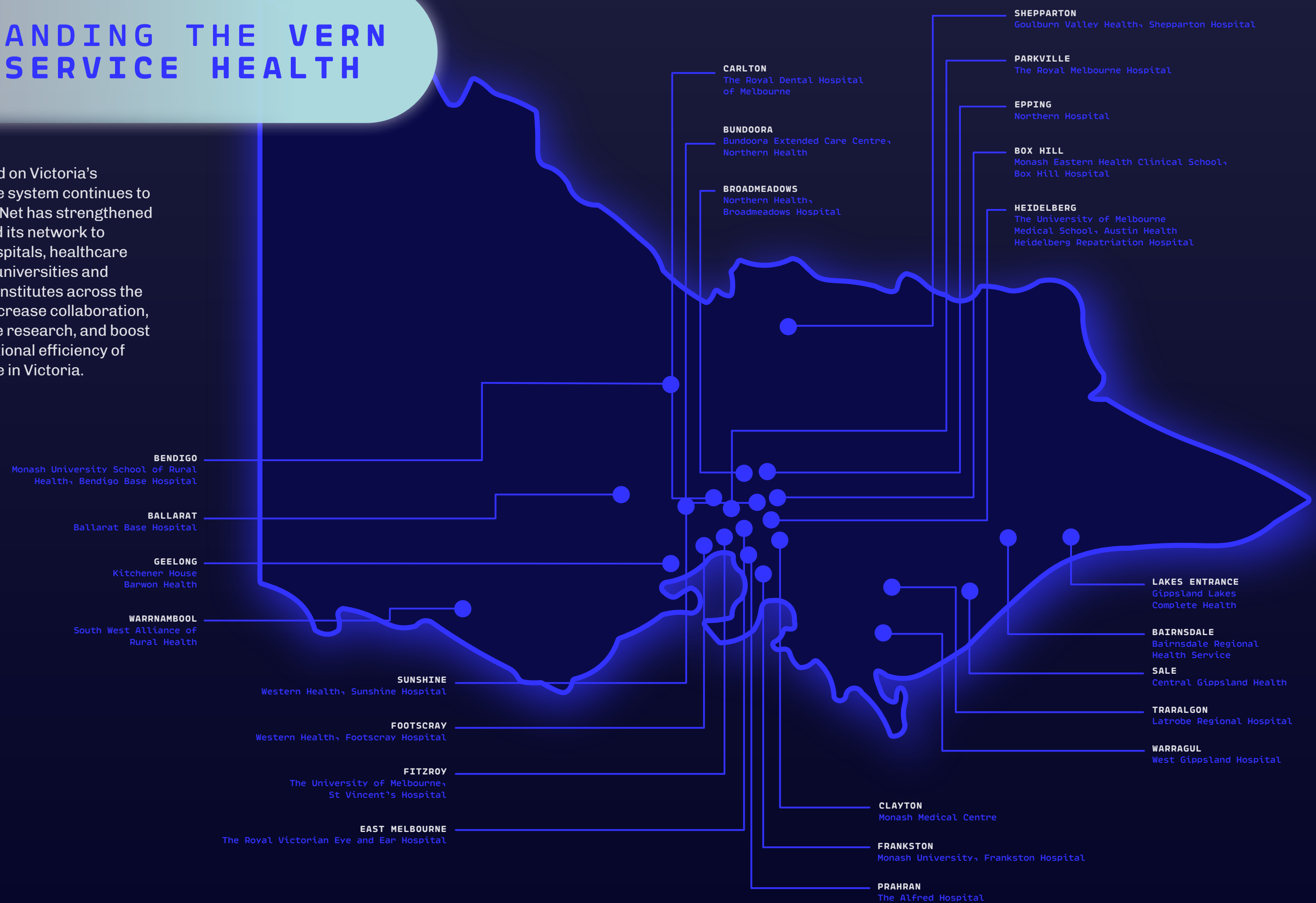
NET CASH FLOWS
FROM OPERATING
ACTIVITIES

3,000km

FIBRE NETWORK

EXPANDING THE VERN TO SERVICE HEALTH

As demand on Victoria’s healthcare system continues to grow, VERNet has strengthened and scaled its network to enable hospitals, healthcare facilities, universities and research institutes across the state to increase collaboration, accelerate research, and boost the operational efficiency of healthcare in Victoria.



The Victorian government has recently made several strategic investments to deliver world-class health infrastructure, including the establishment of the new Footscray Hospital and the redevelopment of Frankston Hospital. VERNet was engaged from the early planning stages of both of these projects and built telecommunications infrastructure to provide connectivity to members and health providers across the state.

THE NEW FOOTSCRAY HOSPITAL

In 2024, VERNet connected the new education and research centre at the Footscray Hospital to Victoria University, delivering high-speed, scalable connectivity to support future growth and capability demands.

The new Footscray Hospital is one of Victoria's largest health infrastructure projects. An investment of over \$1.5B, the hospital will meet growing demand in the region by providing over 500 inpatient beds, acute and specialist care facilities, clinical support spaces, and teaching, training and research spaces.

"The new Footscray Hospital will not only provide Melbourne's west the best care closer to home, but it will also give generations of aspiring nurses access to a world-class education."

PREMIER JACINTA ALLAN

Situated near the heart of Footscray and adjacent to Victoria University's Footscray Park campus, the new hospital is set to establish the inner west as a premier hub for health, education, and research.

The hospital's service provider, Western Health, has a longstanding relationship with Victoria University, which will occupy the new five storey education and research centre at the hospital. As well as facilitating health and medical training, the centre will support research and learning in fields such as nursing, midwifery, physiotherapy, speech pathology, dietetics, biomedicine, and psychology.

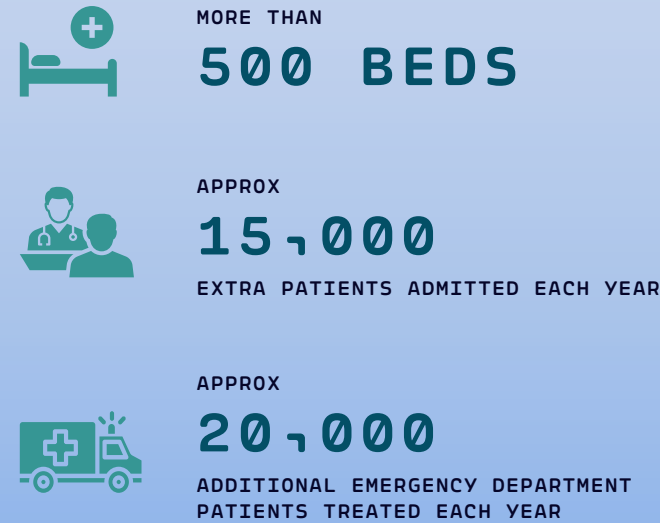
With nearly 200 extra beds, the hospital will meet growing demand in the region by treating 15,000 more

patients annually and serving an additional 20,000 emergency department patients.

"Footscray is transforming into a leading precinct for health, education, and employment," said the Hon. Steve Bracks AC, Chancellor of Victoria University. "Through the Victoria University education and research centre, and its direct link between the Footscray Park Campus and the new hospital, we will equip the next generation workforce and drive research that will shape the future of Melbourne's west".

Each year, nearly 1,000 Victoria University students complete over 110,000 hours of clinical placements at Western Health, and in the coming years it is estimated that 1,500 roles will be created for Victoria University graduates in key sectors within the precinct.

THE NEW FOOTSCRAY HOSPITAL WILL DELIVER:



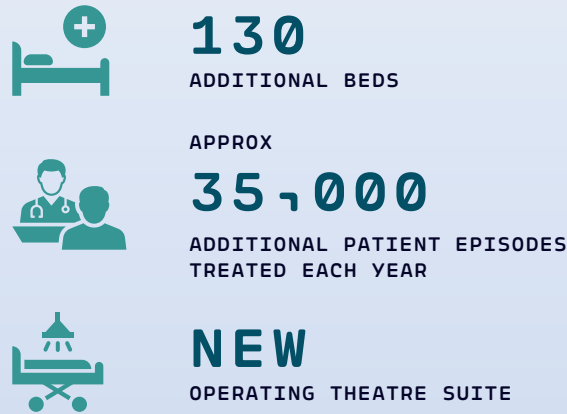
FRANKSTON HOSPITAL REDEVELOPMENT

In 2007 VERNet, in collaboration with VicTrack, provisioned infrastructure connecting Monash University's Caulfield Campus to their Peninsula Campus at a cost of \$1.7M. This 40km build provided 36 pairs of optic fibre constructed along the rail easement and replaced the 155 Mbit/s microwave network with optical fibre technology. VERNet installed tails from the university's campuses to the nearest VicTrack demarcation points and these tails, together with fibres provided by VicTrack, provided a high capacity point-to-point communication link between the two campuses.

VERNet extended its network to nearby Frankston Hospital in 2013 and then in 2024 the company provisioned a geographically diverse service to this hospital to ensure high site availability. As with other Victorian hospitals, the initial rationale for investment to provide connectivity for university staff and students has led to VERNet also offering high bandwidth services for clinical and administration purposes. This will provide an additional return on the original Capital Development Pool funding.

therapy, podiatry and paramedicine located at the hospital and in the greater region. Each year over 200 medical students complete medical rotations through the Peninsula Clinical School, located in the Ngarnga Centre at Frankston Hospital.

THE FRANKSTON HOSPITAL REDEVELOPMENT WILL DELIVER:



"We're transforming health services for families in Frankston, the Mornington Peninsula and right across Melbourne's south-east – delivering them the world-class healthcare they need, closer to home."

THE HON. MARY-ANNE THOMAS, MINISTER FOR HEALTH

Construction is now underway to redevelop and expand the Frankston hospital, with over \$1.1B invested by the Victorian government. The Frankston Hospital redevelopment will transform services and significantly boost capacity, enabling treatment of approximately 35,000 additional patient episodes each year. The hospital will feature a multi-level services tower with 15 new operating theatres, 130 additional beds, and dedicated mental health and oncology spaces. It will also expand women's and children's services to meet the needs of a growing local population.

As the largest ever health infrastructure investment in Melbourne's south-east, the redevelopment will cut wait times and provide greater access to healthcare for people living in the region. An expanded collaboration space within the hospital will also increase capacity for research, education and training. Monash University has a strong partnership with the hospital's operator, Peninsula Health, and has facilities for nursing, midwifery, physiotherapy, occupational



Pictured: The new Footscray Hospital

THE VICTORIAN EDUCATION + RESEARCH NETWORK

- | | | | |
|---------------|-------------|-------------------|----------------|
| 01 Horsham | 06 Stawell | 11 Lilydale | 16 Churchill |
| 02 Bendigo | 07 Ballarat | 12 CBD | 17 Berwick |
| 03 Shepparton | 08 Sunshine | 13 Clayton | 18 Frankston |
| 04 Dookie | 09 Bundoora | 14 Lakes Entrance | 19 Geelong |
| 05 Wodonga | 10 Box Hill | 15 Lov Yang | 20 Warrnambool |

To Canberra,
Parkes, Sydney

To Tasmania



Melbourne CBD

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

2024 CUSTOMER SATISFACTION

Member Net Promoter Score

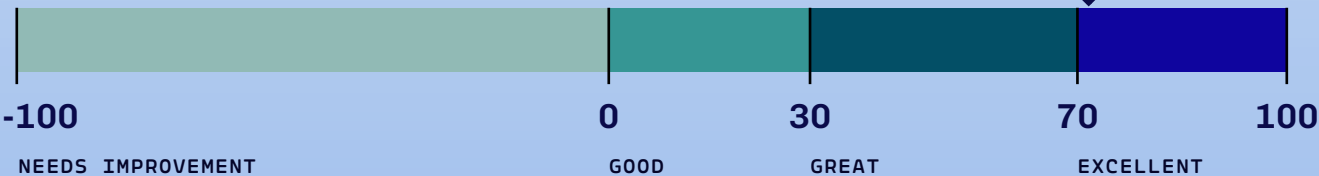
VERNet's 2024 Member Satisfaction Survey achieved a Net Promoter Score (NPS) of **71.4**, positioning the company in the 'excellent' range.



VERNET'S
MEMBER NPS

71.4

The NPS Scale



2024 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.

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.



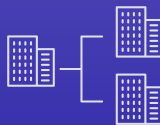
Wide Area Network

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



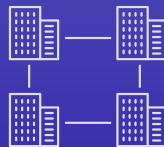
POINT-TO-POINT

- 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, 24x7x365
- Full BGP table
- 1:1 contention rate
- SLA



VERNET BUSINESS PREMIUM

- Extensive coverage
- Bandwidth flexibility, scalability
- Local NOC, 24x7x365
- Full BGP table or default route
- Competitive pricing
- SLA



VERNET BUSINESS STANDARD

- Extensive coverage
- Bandwidth flexibility, scalability
- Local NOC, 24x7x365
- 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), GAICD, IPAA Fellow



LYNN WARNEKE
INDEPENDENT DIRECTOR

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, GAICD, FAAL



NATALIA HAWKINS
DEPUTY CHIEF FINANCIAL OFFICER
AND EXECUTIVE DIRECTOR CORPORATE
FINANCE, MONASH UNIVERSITY

CA-Chartered Accountant, GAICD,
MPA-Master of Professional Accounting,
Bo E (Bachelor of Economics)



BYRON COLLINS
EXECUTIVE DIRECTOR, BUSINESS
SERVICES AND CHIEF INFORMATION
OFFICER, THE UNIVERSITY OF MELBOURNE

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



MARK SMITH
CHIEF OPERATING OFFICER,
LA TROBE UNIVERSITY

MBA (Deakin University),
Bachelor of Accounting (QUT)



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
TECHNICAL MANAGER



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
NETWORK ADMINISTRATOR



NICHOLAS FRIZZEL
NETWORK OPERATOR



SAM RICHARDSON
NETWORK OPERATOR



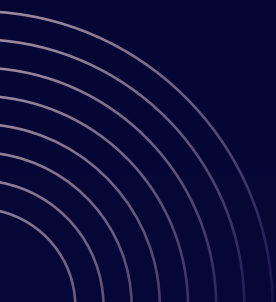
LUKE HUMPHRIES
NETWORK OPERATOR



CONNOR MCLACHLAN
NETWORK OPERATOR



CALEB BARNES
NETWORK OPERATOR



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