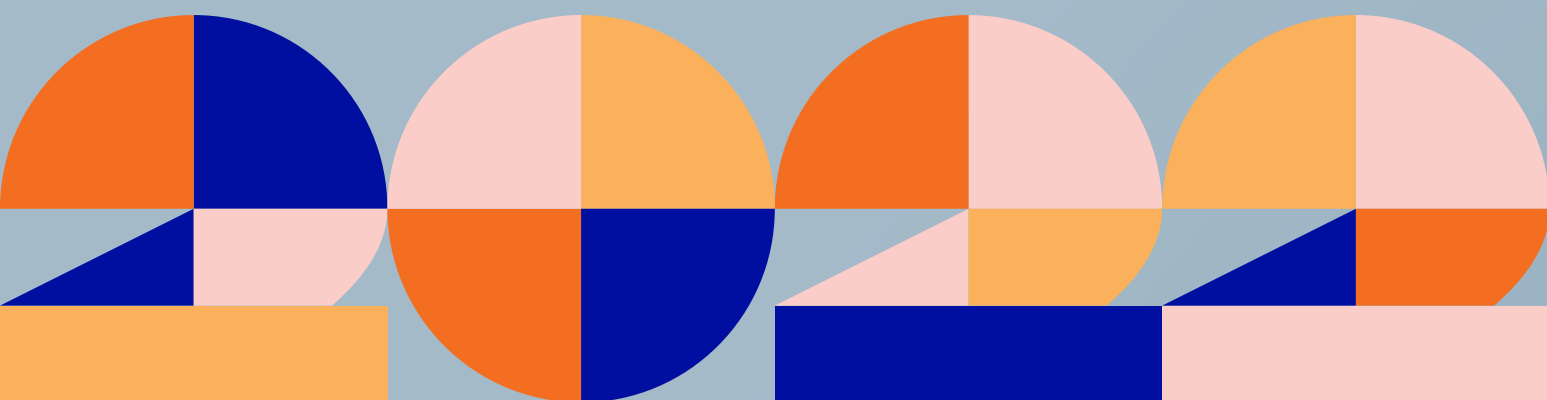




# ANNUAL REPORT



Our Members	3
From the Chair & CEO	4
2022 Highlights	5
Case Study: Northern Health	6
Our Customers	10
2022 Member Net Promoter Score	11
The Victorian Education and Research Network	12
Our Products	14
Case Study: Bendigo Kangan Institute	16
Our Board of Directors	20
The VERNet Team	22

## Our Members





# From the Chair & CEO

VERNet occupies a unique position in Victoria. Backed by Victoria's world-class universities the company now offers the benefits of its high-bandwidth network to education, health, and other community-focused organisations across the state. This provides competitive tension in the marketplace which ultimately drives down costs for members.

The company's performance improved significantly in 2022 with revenue before member rebates increasing by \$0.67M or 7.5%. Works for non-members including TAFE and hospitals continued to support VERNet's profitability with total net cash flows from operating activities of \$4.14M recorded in 2022. During the year, the company built a wide area network for Bendigo Kangan Institute, linking five sites with diverse 10Gbps connectivity. This \$2.5M, 5-year initiative shares network infrastructure built to provide services to Northern Health and is an excellent example of collaboration between VERNet and its customers to lower barriers to investment. We expect the sources of revenue to rebalance in 2023 as hospital orders that sustained the company during the COVID-19 years decline and university business increases.

Supply chain shortages were challenging during the year with engineering resources in high demand as the backlog of works built up during COVID-19 was processed by the telecommunications sector. Despite this, the company managed to complete all works required by year-end and most importantly was able to avoid cost increases or delays for works under contract.

VERNet's backbone, built between 2005 and 2009, is reaching the end of its economic life and the company is replacing these

**VERNet recorded its eighth consecutive surplus of \$0.96M before rebates for the year ending 31 December 2022. To reward members for their business the company awarded its shareholders with the highest retention rebates to date totalling \$0.75M.**

assets with infrastructure that will not be restricted to tertiary education use only. During 2022 the company negotiated access to power infrastructure without restrictions which may be used for all purposes including health and government. Funds accumulated of \$26.8M will be applied to fibre and equipment procurement as these assets require replacement.

This year Mr Peter Marshall (Monash University), Professor Richard Constantine (Victoria University) and Mr Stuart Hildyard (La Trobe University) retired from the VERNet Board. We would like to thank these directors for their dedication and service to the company. During the year we also welcomed Ms Lynn Warneke (Independent Director), Ms Natalia Hawkins (Monash University), Mr Craig Warren (Deakin University) and Mr Mark Smith (La Trobe University) to the Board.

VERNet's success is a direct result of the collaboration between members and the company. Projects that incorporate infrastructure for universities, TAFEs, and hospitals enable VERNet to reduce costs for the sector and build networks to underserved areas. We would like to thank the members, and in particular the Directors of IT, the architects of the VERN, for their support and direction.

**Professor Ian Young AO**  
Chair

**Roger Tanton**  
CEO

2022

## Highlights

**\$35.4m**  
NET ASSETS

**87.5**  
MEMBER NET  
PROMOTER  
SCORE

**3,000km**  
FIBRE NETWORK

**\$4.1m**  
NET CASH FLOWS  
FROM OPERATING  
ACTIVITIES

**\$963.5k**  
SURPLUS  
BEFORE REBATES

MEMBER OF  
**The Victorian  
Telecommunications  
Services (VTS)  
State Purchase Contract Panel**



CASE STUDY

# Northern Health: Digital Transformation

Northern Health completed a critical upgrade of their network that began in 2020 to provide full diversity to sites at Epping and Bundoora Centre.

VERNet first provided research, clinical and administrative services to Northern Health in 2016, when the hospital joined the Victorian Research Network, connecting Northern Health to Royal Melbourne Hospital and La Trobe University. Since then, the hospital has embarked on a major upgrade of its ICT infrastructure to provide a platform for its digital transformation journey. One of Northern Health's strategic initiatives is to invest in new opportunities and innovations, including digital processes; and scalable network capacity is an important enabler of innovation. In September 2023 Northern Health will launch its Electronic Medical Record (EMR) service which will utilise VERNet's infrastructure.

Expansion into providing clinical and administration services to the health sector was a natural evolution for VERNet. The company was incorporated to provide network services to its university shareholders, and it soon became apparent that academics and students based at hospital sites would be important users of these services. Once a presence was established at a hospital site, it made good sense to leverage the physical connectivity to provide services for all hospital purposes.



The Electronic Medical Record

A repository of clinical information used in patient care, which is captured in a structured computer-readable form that supports interoperability and clinical decision support.



DEPARTMENT OF HEALTH VICTORIA



## 2022 at a glance



EMERGENCY  
PRESENTATIONS  
**110,888**



AMBULANCE  
ARRIVALS  
**35,695**



VIRTUAL EMERGENCY  
PRESENTATIONS  
**35,575**



HOSPITAL  
ADMISSIONS  
**97,317**



ELECTIVE SURGICAL  
PROCEDURES  
**14,181**



BABIES  
BORN  
**3,303**

## Challenge

Works contracted in 2020 required access to the hospital at Epping in the middle of the COVID-19 pandemic when access routes were blocked. Civil works to provide diversity to Northern Health could not be completed.

Moving computing capabilities to the cloud requires interruption-free connectivity and a mitigation to complete the diversity was essential.

## Solution

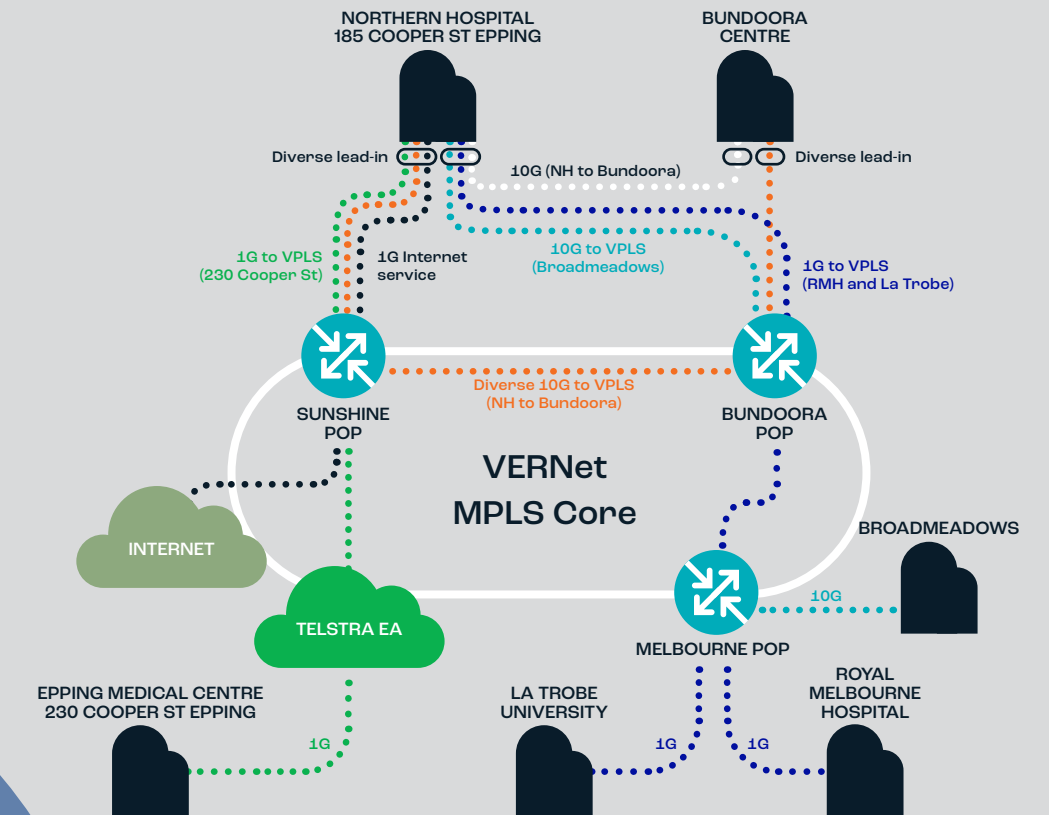
Northern Health was also completing building works for a new mental health facility and management agreed to vary the network design to provide for diversity through this structure.

Working with the hospital project management team, VERNet avoided civil works and ambulance access issues and delivered diversity to the Epping site with minimal disruption to services and within the original budget.

## Benefits

Full geographic diversity is essential to mitigate planned or unplanned outages and provide high-capacity, high-availability services required for seamless synchronisation of Northern Health's two datacentres. VERNet's scalable network can be upgraded to 100Gbps and beyond to provide services to a catchment population forecast to rise by 50% in the coming decade.

### Northern Health WAN



## The Electronic Medical Record

Northern Health is set to roll out an Electronic Medical Record (EMR) system in September 2023, which will be used for clinical documentation, placing orders, viewing results, and medication management. The implementation will include device integration and specialist modules for ICU, Emergency, Maternity, Surgery, and Anaesthesia. The EMR will transform the provision of clinical care to patients, delivering significant benefits to the communities served by Northern Health.

## Network Upgrade Project

- 1 Upgrade existing 1Gbps link between Northern Health Epping and Bundoora Centre to 10Gbps
- 2 Provision a diverse 10Gbps link between Northern Health Epping and Bundoora Centre
- 3 Build a diverse lead-in at Northern Hospital
- 4 Build a diverse lead-in at Bundoora Centre
- 5 Provision a 10Gbps link to Broadmeadows Hospital
- 6 Provision a 1Gbps link to Epping Medical Centre
- 7 Provision 1Gbps internet connectivity to Northern Health Epping

# Our Customers



## Health

Eastern Victoria GP Training  
Gippsland Health Alliance  
Murray City Country Coast GP Training  
Royal Victorian Eye & Ear Hospital  
South West Alliance of Rural Health  
Northern Health  
Melbourne Health  
Western Health  
Grampians Health



## Community

Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC)  
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

## University Residence

Trinity College



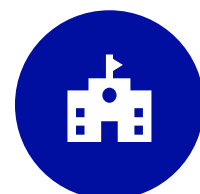
## Research

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



## TAFE

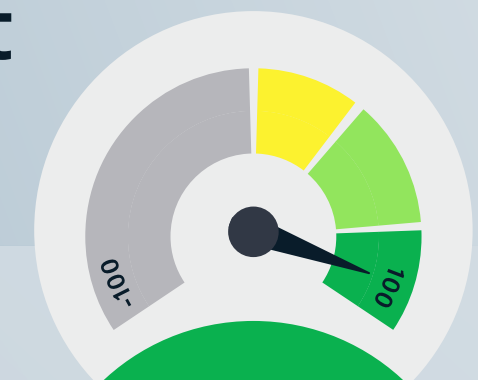
Box Hill Institute  
TAFE Gippsland  
Melbourne Polytechnic  
Bendigo Kangan Institute



## Education K-12

Haileybury  
Marcellin College

# 2022 Member Net Promoter Score

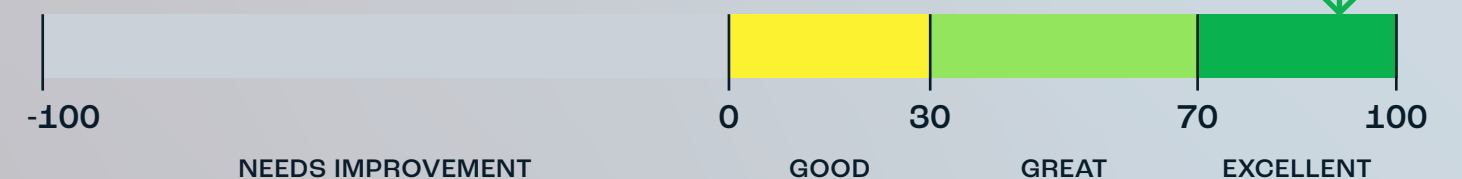


VERNet's Member NPS

87.5

VERNet's 2022 Member Satisfaction Survey achieved a Net Promoter Score (NPS) of 87.5, positioning the company in the 'excellent' range.

## The NPS Scale



VERNet's service offerings are very high quality and of good value, isn't this what most customers want?

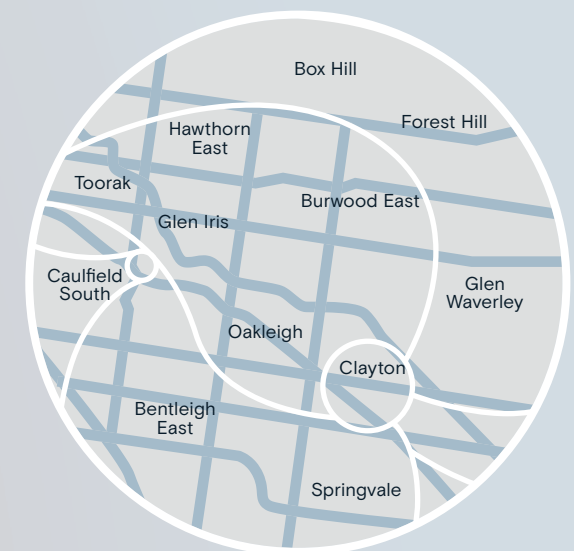
Quick response, good costing.

DEAKIN UNIVERSITY

MONASH UNIVERSITY



# The Victorian Education and Research Network





# 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.



## Wide Area Network

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



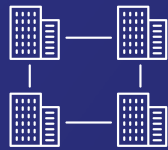
### Point-to-Point

- 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



## 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.

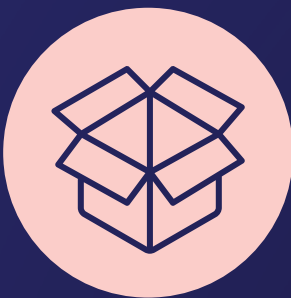
VERNet also offers colocation space in NEXTDC M1 & NEXTDC M2 data centres in Melbourne. We can provide spaces starting from a quarter rack, with a range of power ratings from 1kW, as well as onsite support if required.



## 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.



## 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.



## CASE STUDY

# Bendigo Kangan Institute: Future-proofing TAFE for Victorians

Born out of the merger of Bendigo TAFE and Kangan Institute, Bendigo Kangan Institute (BKI) is a leading vocational education provider, operating across multiple regional and metropolitan campuses throughout Victoria. In 2022, BKI's ICT team delivered on an ambitious transformational agenda, made possible by significant network infrastructure upgrades.

BKI's Chief Information Officer, Peter Brusco, saw the limitations of BKI's legacy network to provide the foundation on which over 30 projects could be delivered. "The network connects everything and is a key enabler of our digital transformation strategy" Peter explained. The existing network was legacy datacentre centric and lacked the modern capabilities required to implement the institute's enterprise digital plan, so in late 2021 BKI went to market to procure a robust, high-capacity network with the following key attributes:

- **A new WAN designed for cloud services**
- **Full physical redundancy with no single points of failure**
- **Multiple internet gateways**
- **Security built into the network**
- **Cost effective – Better ROI from long term infrastructure**
- **Capacity – 10Gbps +**
- **Scalability – future-proof the network beyond the investment horizon**

As an established provider of high bandwidth services to Victoria's university, TAFE and government sectors, VERNet leveraged its installed fibre base to win the tender.

BKI's six largest campuses are now connected by a Gigabit VERNet Wide Area Network (WAN), with flexibility to add the smaller campuses to the VPLS instance using lower capacity commercial services down the track.

VERNet began construction in May 2022, building additional fibre to BKI's campuses and providing geographic diversity. By December the project was complete, and despite post-COVID challenges such as construction and labour shortages and delays, the WAN was finished on time and on budget.



## About BKI

BKI is committed to providing high quality education and training that leads to real-world employment outcomes. The Institute offers over 300 courses in areas such as trades, health and community services, business, technology, and creative industries; as well as Indigenous and foundation courses. In 2022 BKI was the winner of both the Australian and Victorian Large Training Provider of the Year Awards.

## BKI: 2022 Snapshot



**25,291**  
TOTAL  
ENROLMENTS



**9,804**  
APPRENTICES  
AND TRAINEES



**4,609**  
FREE TAFE  
ENROLMENTS



**34%**  
INCREASE IN VETASSESS  
APPLICATIONS  
compared with 2021



**70**  
COMMERCIAL  
AGREEMENTS  
with industry clients



**19**  
AWARDS

The network has cost-effectively provided enormous capacity and scalability. We have been able to confidently move 95% of our corporate and learning systems to the cloud, up from 5% only two years ago.



**Peter Brusco**  
CHIEF INFORMATION OFFICER,  
BENDIGO KANGAN  
INSTITUTE

# Challenge

- A review of BKI's legacy network identified several weaknesses:
- Inadequate speed, most campuses were serviced by 100Mbps single link services with 5,000 to 6,000 students at each large campus.
  - No redundancy (some low-capacity microwave links).
  - A single internet gateway.
  - Topology was designed for traditional on-prem services, the transformational agenda specified a cloud-first strategy.
  - Lacking direct high-speed connections into the major cloud providers such as Amazon and Microsoft - only 5% of services were hosted in the cloud.

# Solution

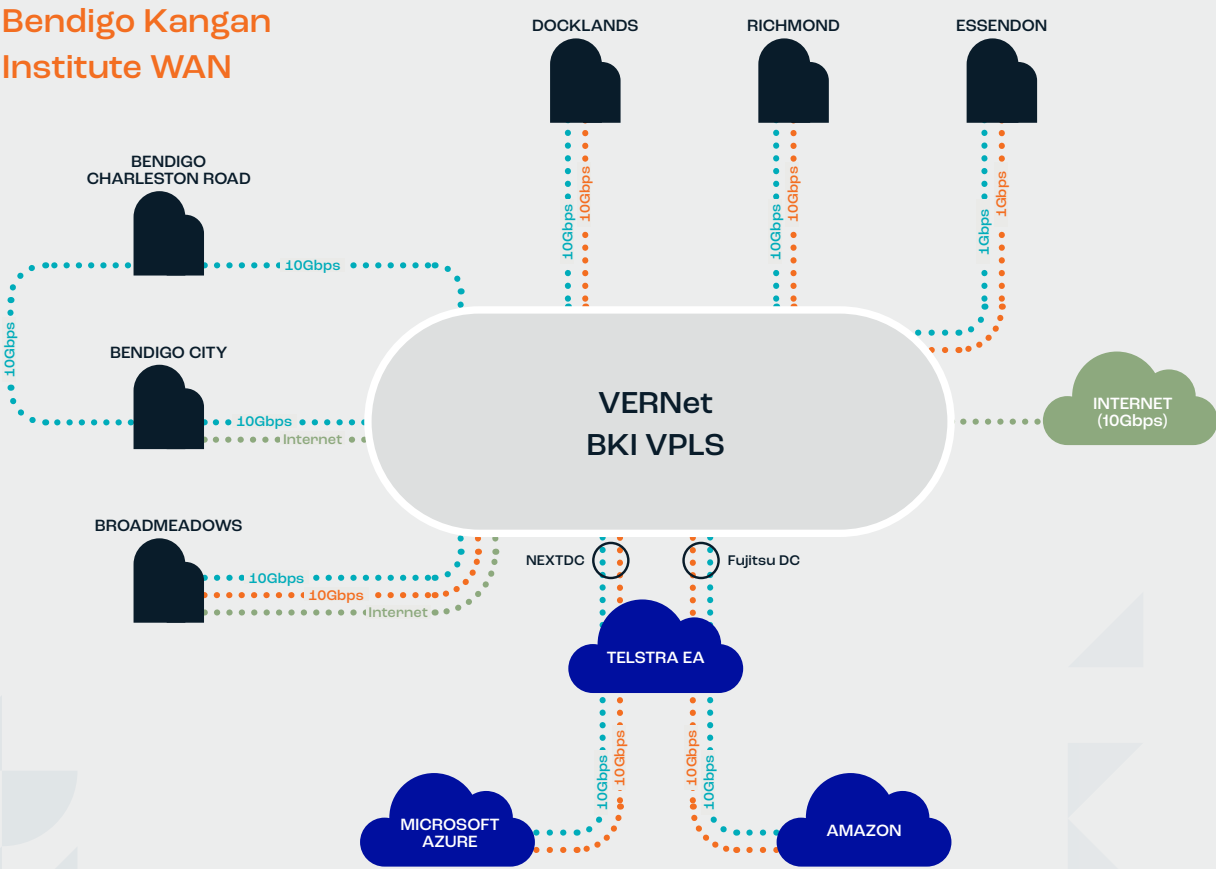
- VERNet delivered a solution with the following key features:
- 10Gbps Layer 2 WAN services between Bendigo City, Bendigo Charleston Road, Broadmeadows, Docklands and Richmond campus locations.
  - Fully diverse dual fibre optic services to Bendigo City and Bendigo Charleston Road (one service each), Broadmeadows, Docklands and Richmond campus locations.
  - Dual 1Gbps WAN connection to the Essendon campus.
  - 10Gbps direct connection of the WAN to Azure and AWS.
  - Dual internet connections to Bendigo City and Broadmeadows campuses, with a total bandwidth of 10Gbps.



We believe that this new fibre network future-proofs BKI's exponentially growing requirements for more than the next decade.



**Peter Brusco**  
CHIEF INFORMATION OFFICER, BENDIGO KANGAN INSTITUTE



# Benefits

The WAN has increased the capacity of BKI's network 100-fold, providing a robust, fully redundant network foundation. "The network has cost-effectively provided enormous capacity and scalability. We have been able to confidently move 95% of our corporate and learning systems to the cloud, up from 5% only two years ago," said Peter. "We believe that this new fibre network future-proofs BKI's exponentially growing requirements for more than the next decade."

The new network has enabled the ICT team to retire several legacy systems and implement technologies that will open up new education and operational capabilities:

- Replacement of the Institute's Student Management System with a modern, cloud-based solution.
- A Business Intelligence Platform provides improved dashboards and relevant live corporate reporting.
- An Electronic Document and Records Management System enables better and more secure management of records and documents.
- Replacement of BKI's multiple websites with a single cloud-based platform providing increased efficiency, security and improved user experience.
- Email and productivity tools have been migrated to Microsoft Cloud, 95% of BKI's services are now cloud-based.
- A new Collaboration Platform has been implemented providing improved video conferencing, messaging and soft phone technology.
- Overhaul of Call Centre technology resulting in a move from inadequate legacy system to a best in class, modern solution.
- Migration to a modern cloud-based Finance system.
- An Innovation Platform now assists in capturing ideas for innovation and other improvements.
- An Identity and Access Management Platform has strengthened security through authenticating users of all Bendigo Kangan Institute systems, as well as new threat detection systems.



# 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 (ANU, in progress), Grad Cert New Technologies  
Law (ANU), BA (Hons & University Medal, Charles Sturt),  
GAICD, MACS Snr CP



**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 TECHNOLOGY 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)



**Craig Warren**  
CHIEF DIGITAL OFFICER,  
DEAKIN UNIVERSITY

Bachelor of Sciences (Hons)  
from Deakin University

# The VERNet Team



**Roger Tanton**  
CHIEF EXECUTIVE OFFICER



**Angela Farley**  
COMMERCIAL MANAGER



**Jackie Hill**  
FINANCE & ADMINISTRATION  
MANAGER



**Susan Hadley**  
OFFICE ADMINISTRATOR  
& IMS COORDINATOR



**Robyn Hollingworth**  
SENIOR NETWORK SPECIALIST



**Puatai Sim**  
ASSET MANAGEMENT SYSTEM  
ANALYST



**James Morgan**  
TECHNICAL MANAGER



**Cameron McDonnell**  
SERVICE DELIVERY MANAGER



**Brandon Perry**  
PROJECT COORDINATOR



**Robert McKendrick**  
NETWORK ENGINEER



**Daniel Szalinski**  
OPERATIONS COORDINATOR



**Nicholas Frizzel**  
NETWORK OPERATOR



**Sam Richardson**  
NETWORK OPERATOR





**VERNET PTY LTD**

ABN 18 112 005 302

Level 7  
564 St Kilda Road  
Melbourne Vic 3004

**P** +61 3 9914 5700  
**F** +61 3 9914 5705  
**E** [info@vernet.com.au](mailto:info@vernet.com.au)

