



Annual Report

Our Members	;
From the Chair & CEO	4
2021 Highlights	4
Case Study: Gippsland Health Alliance	
Our Customers	1(
2021 Member Net Promoter Score	1
The Victorian Education and Research Network	1:
Our Products	1
Deakin's Link to the Coast	1
Our Strategic Objectives	1
Our Board of Directors	20
The VERNet Team	2

Our Members



























From the Chair & CEO



Member satisfaction increased to +100 as measured by the Net Promoter Score (NPS) index, with VERNet working collaboratively with members to deliver services on time and on budget despite lockdowns and COVID-19 restrictions.

VERNet recorded a surplus of \$0.5M in 2021, as Victoria endured a second year of COVID-19 lockdowns and significant disruption to business across the state. Diversification of the customer base has proved to be an important strategy, allowing the company to share the benefits of the VERN with the wider Victorian community by rapidly deploying network services to hospitals and COVID-19 clinics. In the second half of the year members began planning for the return of students to campuses across Victoria, and VERNet completed a number of significant works in the fourth guarter in preparation for the first semester 2022.

During the year the company focused on mitigating supply chain issues so that important services ordered by members and health customers could be provisioned on time and on budget. The telecommunications industry continues to be significantly impacted by equipment delays, lockdowns, and staff shortages; however, VERNet managed to secure sufficient spares in 2020 to complete all required 2021 pipeline works. This important measure improved our customer satisfaction score, with the NPS index for members rising to +100 from +87.5 during the year.

The company has generated a surplus for ten of the last twelve years, including across the COVID-19 lockdown periods. Net cash flows from operating activities for the year ending 31 December 2021 totalled \$3M, enabling the company to accumulate enough cash to replace network assets as required and invest in new infrastructure for the benefit of members. Internally generated funds are important to ensure that the company does not need to call on members or government for capital investment in the future.

In late 2021 VERNet secured a position on the Victorian Telecommunications Services Panel. This is an important milestone for the company, allowing VERNet to compete for Victorian Government telecommunications business. The company is one of only eleven suppliers selected for the procurement panel competing for \$90M annual revenue for data and internet services. This contract represents a significant increase in the addressable market for the company and will enable VERNet to offer services to both mandated and non-mandated Victorian Government agencies. As part of its diversification strategy VERNet already supplies services to a number of government funded health customers, and appointment to the panel is another important step in reducing the company's reliance on member operating subscriptions.

We would like to thank all our members, directors and staff for their support, understanding, enthusiasm and collaborative efforts during the year. VERNet is a cooperative and we are very fortunate to benefit from the goodwill and contribution of our members. The Victorian Directors of IT and CIOs at member institutions provide invaluable input to the design and strategic direction of the company, and we look forward to working with members in the future to develop this important investment for Victoria.

Professor Ian Young AO Chair

Roger Tanton CEO

2021 Highlights

\$35.2m NET ASSETS

3.000km **FIBRE NETWORK**

Triple ISO Accreditation

ISO 9001 OUALITY





\$1.5m

INCREASE IN CASH CASH EQUIVALENTS AND OTHER FINANCIAL ASSETS





"We were experiencing a lot of outages, and also capacity issues which affected our ability to deliver services well," explains Adrian Shearer, Chief Technology Officer at GHA. "We wanted to implement the Electronic Medical Record, and bandwidth available through the traditional technologies offered via other vendors at the time just couldn't meet our capacity requirements at a reasonable price."

THE ELECTRONIC MEDICAL RECORD

"A repository of clinical information used in patient care, which is captured in a structured computerreadable form that supports interoperability and clinical decision support." - Department of Health Victoria

GHA initially looked at building a complete network across all 17 member agencies. When this was found to be cost-prohibitive, they approached VERNet to design a customised solution connecting the major hospitals. VERNet designed a 1Gbps WAN connecting hospitals in Traralgon, Bairnsdale, Sale, Wonthaggi and Warragul to a VPLS, with links to Azure in both Melbourne and Sydney.

The VERNet network has provided GHA with the high availability, high-capacity connectivity needed to keep pace with the increasingly digital post-COVID-19 healthcare landscape.

CASE STUDY

Gippsland Health Alliance

Since 2015 VERNet has provided the Gippsland Health Alliance with WAN connectivity across Gippsland, allowing the organisation to roll out the Electronic Medical Record (EMR) to five major regional Victorian Hospitals.

Gippsland Health Alliance (GHA) is one of five Rural Health Alliances established by the Victorian Department of Human Services to enable regional healthcare providers to share operational and digital infrastructure. The alliance is a consortium of all publicly funded health services in the Gippsland region, with a catchment of 44,000 square kilometres extending from Wonthaggi across to Cann River in Victoria's far east. GHA's members include eleven regional hospitals and six Bush Nursing Centres that provide essential healthcare services to communities in some of Victoria's most remote locations.

Prior to building the VERNet WAN, GHA relied on a network built and designed some 15 years prior, which had capacity constraints and was unlikely to meet GHA's future needs. Faced with the ever-increasing digitisation of the healthcare sector, and particularly prompted by the introduction of the Electronic Medical Record, the alliance needed to upgrade its infrastructure to continue meeting the evolving needs of its members.

Latrobe Regional Hospital West Gippsland Healthcare Group Central Gippsland Health Bairnsdale Regional Health Service Bass Coast Health **Gippsland Southern Health Service Orbost Regional Health** Yarram and District Health Service Kooweerup Regional Health Service



"Going to 1Gbps provided us with the foundation to future-proof," explained Adrian, "not only addressing the operational issues around availability and capacity, but also enabling us to access our shared services environments and lay the groundwork needed to implement the EMR."

"When you go from paper to electronic records, network availability is essential - the performance needs to be there, and the resilience needs to be there. Both are equally important.

In 2020 when the COVID-19 pandemic hit the healthcare sector, having the VERNet network meant that GHA was well-positioned to respond to the challenges in terms of operations and care provision. "There were definitely some huge changes," said Adrian. "More staff working from home put pressure on the network, very quickly we had a lot more external traffic coming in, any service interruptions meant people were unable to connect to remote services to perform their functions."

As part of the VERNet solution, connectivity to Microsoft Azure is provided at both Melbourne and Sydney in order to ensure high availability. A key benefit of Azure has been the ability to provision new services quickly. For example, it enabled GHA to develop and rapidly deploy new programs to facilitate COVID Positive Pathways - an initiative for providing clinical care at home for COVID-19 positive patients.

GHA has 17 member sites:

South Gippsland Hospital Omeo District Health Buchan Bush Nursing Centre Cann Valley Bush Nursing Centre Dargo Bush Nursing Centre Gelantipy Bush Nursing Centre Swifts Creek Bush Nursing Centre Ensay Bush Nursing Centre

When you go from paper to electronic records, network availability is essential – the performance needs to be there, and the resilience needs to be there. Both are equally important.

ADRIAN SHEARER, CHIEF TECHNOLOGY OFFICER, GHA

"Another major change was the increase in videoconferencing, not just for the purposes of internal meetings and running of the business but also communicating with and running the clinics, and clinical appointments. A lot of that uptake happened very quickly compared with what we've seen in the past," Adrian explained.

"And then in terms of supporting those high-risk patients who had Covid or needed other specialised care, all of a sudden those services were available to them to be supported at home. Covid accelerated the uptake of telehealth dramatically, and it'll stay," said Adrian. "I think the experiences of Covid demonstrated to people that you can do this pretty quickly and the technology is available. I think we'll only see greater uptake of telehealth over the next few years, it'll be a significant part of how healthcare is delivered across the state."

GHA is on track to complete the roll out of the EMR across five hospitals on the network by the end of 2022.



Challenge

GHA's original network was no longer meeting the needs of its members to keep pace with technological advancements in the healthcare sector.

High-capacity, high-availability network infrastructure was required to enable GHA to transition from paper-based medical records to the Electronic Medical Record.

GHA now has the hid

The reliability of t Electronic Medical Re of informat

The Azure connection





Solution

VERNet designed and provisioned a 1Gbps WAN connecting Latrobe Regional Hospital in Traralgon, Bairnsdale Hospital, Sale Hospital and Wonthaggi Hospital to a VPLS, with Warragul Hospital connected via a 200Mbps spur.

The VPLS connects the network to Azure in both Melbourne and Sydney.

GHA retained their original microwave services to provide backup for the new network.

Benefits

availability, high-capacity infrastructure it needs to support its members well into the future.

VERNet network has been crucial for implementing the ord, as uninterrupted access to patient records and transfer n between providers is critical in medical settings.

s have enabled rapid provisioning of new applications and services across the network.

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



Community

Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC)

> The Bouverie Centre: Victoria's Family Institute

Uniting



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



Education K-12

Haileybury Marcellin College

2021 Member Net **Promoter Score**

VERNet's 2021 Member Satisfaction Survey achieved a Net Promoter Score (NPS) of **100**, positioning the company in the 'excellent' range.

The NPS Scale

-100

NEEDS IMPROVEMENT

Prompt and clear responses, flexible schedules, quick turnaround times.

RMIT



The VERNet team are always approachable, responsive and provide great technical guidance on their service offerings. Support is also another great attribute.



Our **Products**

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

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



Point-to-Multipoint Multipoint

Cloud

Connect



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
- Local NOC. 24×7×365
- Full BGP table
- 1:1 contention rate
- SLA



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.

VERNet Pty Ltd Annual Report 2021 · ABN 18 112 005 302

VERNet offers many network products that provide fast. secure connections between you, other organisations

following public cloud service providers: Microsoft Azure, Google Cloud Platform, IBM Cloud, Oracle, Megaport and

Vernet Business Premium

- Bandwidth flexibility, scalability
 Bandwidth flexibility, scalability
 - Local NOC. 24×7×365

 - SLA

Vernet Business Standard

Data Centre Connect

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.

CASE STUDY

Deakin's Link to the Coast

Deakin University Warrnambool campus recently procured diverse services from VERNet to support one of the most advanced sonar mapping systems in the world. The \$650,000 state-of-the-art system allows oceanographic researchers to gain access to large areas of Victoria's sea floor to a level of detail never before possible.



In October 2013, VERNet provisioned a 10Gbps service from Geelong to Warrnambool in order to connect researchers to the Deakin network, replacing a low bandwidth commercial service.

In 2020, VERNet installed a second fibre path to Warrnambool to provide protection from scheduled and unscheduled outages in the South West region, and in 2021 commenced construction of a diverse fibre path from the rail corridor to the campus.

The 10Gbps service enables faster access to content, including video sites previously slow to load. The new infrastructure at Deakin Warrnambool increased capacity 100-fold, and the costs are around half of available commercial costs. Data collected will provide a baseline for future management of Victoria's coast.

Deakin's marine research vessel, Yolla, was purpose-l as part of Deakin University Warrnambool Marine and Aquaculture Research Initiative to boost marine rese and teaching in regional Australia.

ou get to the coastline The nine metre long vessel is fitted with Norwegian-built and you see blue for the most part. This technology Kongsberg EM2040c multi-beam sonar, allowing Deakin's enables us to penetrate through the water and see what marine ecologists to use sonar data to explore over lies beneath. It also has the capacity to measure the 120,000 hectares of Victoria's underwater environments biomass in the water column such as schools of fish and and update 200-year-old mapping data. kelp forests in three dimensional space," Daniel explains.

The sonar mapping system provides enormous opportunity to identify critical habitat for marine organisms and make more informed decisions on managing marine systems.

The multi-beam system operates by emitting signals through the water. If an object is in the path of the sound pulse, the sound bounces off the object and returns an echo to the sonar transducer.

Real-time kinematic GPS equipment using the mobile phone network ensures precise positioning, and military grade motion sensors correct for vessel movement to ensure the quality positioning of sonar beams on the sea floor.



ASSOCIATE PROFESSOR DANIEL IERODIACONOU, **DEAKIN UNIVERSITY**

ouilt	"The data we collect with Yolla improves our
d	understanding of the distribution and connectivity of
arch	habitats in our coastal waters." Daniel says.
	"When you look at Google Earth, you get to the coast

"The images provide a snapshot in time, providing baseline data to assess future impacts associated with climate changes and other human activities."

NO

Associate Professor Daniel lerodiaconou (right) is a Senior Lecturer at the School of Life and Environmental Sciences at Deakin University.

Photo courtesy of The Standard

Strategic Objectives

VERNet's long term, strategic objectives are to:

Provide a competitive advantage to members Leverage the scalable VERN to provide services to government and community customers that add tangible benefits to Victoria's communities

Offer a sustainable, scalable platform for network connectivity for members that exceeds the initial mandate of 15 -20 years Promote the collective interests of members in Victoria and develop solutions to service members as a community

Anticipate and provision high bandwidth and innovative products ahead of demand from members Communicate the value of VERNet's services as a way of promoting the uptake of these services across the state

Board of Directors



Professor lan Young AO CHAIR AND INDEPENDENT DIRECTOR

BE (Hons) James Cook. MEngSc James Cook. PhD James Cook. FTSE, HonFIEAust, CPEng Doctor Bronte Adams AM

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



Byron Collins

EXECUTIVE DIRECTOR, BUSINESS SERVICES AND CHIEF TECHNOLOGY OFFICER, THE UNIVERSITY OF MELBOURNE

Master of Business Administration from the Melbourne Business School and a Bachelor of Science from the University of Melbourne

Professor Richard Constantine

CHIEF INFRASTRUCTURE OFFICER, VICTORIA UNIVERSITY

PDM (Melb), MBA (Monash)



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



Peter Marshall AM

CHIEF OPERATING OFFICER AND SENIOR VICE-PRESIDENT, MONASH UNIVERSITY

Bachelor of Economics Monash University, Chartered Member Australian Human Resources Institute, Previous Chair Group of Eight Universities' Human Resource Directors' Group

The VERNet Team



Roger Tanton CHIEF EXECUTIVE OFFICER



Cecil Triegaardt BUSINESS DEVELOPMENT MANAGER



Robyn Hollingworth SENIOR NETWORK SPECIALIST



Puatai Sim ASSET MANAGEMENT SYSTEM ANALYST



James Morgan TECHNICAL MANAGER





Robert McKendrick NETWORK ENGINEER

Mitchell Blair SYSTEMS ENGINEER

Daniel Szalinski TECHNICAL COORDINATOR



Jackie Hill FINANCE & ADMINISTRATION MANAGER

Susan Hadley OFFICE ADMINISTRATOR & IMS COORDINATOR



Cameron McDonnell SERVICE DELIVERY MANAGER

Brandon Perry PROJECT COORDINATOR

Nicholas Frizzel NETWORK OPERATOR



P +61 3 9914 5700

F +61 3 9914 5705

E info@vernet.com.au

Level 7 564 St Kilda Road Melbourne VIC 3004