

Annual Report 2024

BEYOND CONNECTIVITY: SECURING THE FUTURE OF RESEARCH & EDUCATION





"AS OUR COMMUNITY'S NEEDS EVOLVE, SO DOES OUR COMMITMENT – TO GO BEYOND CONNECTIVITY BY BUILDING TRUSTED INFRASTRUCTURE AND SERVICES THAT SUPPORT AND SECURE THE FUTURE OF RESEARCH AND INNOVATION."

Chris Hancock AM, CEO AARNet



ABOUT US

- 4 Who we are and what we do
- 6 International and national network maps
- **10** Message from the Chair
- **12** Message from the CEO

THE YEAR IN REVIEW

- 14 Strategic Plan
- **18** Network: Advancing Australia's national research and education network and digital infrastructure
- 26 Community: Empowering and growing our communities
- **32** Products & Services: Developing innovative products and services
- **38** Security: Strengthening the cyber security capability and resilience of the research and education sector

CONTENTS

- **42** Sustainability: Ensuring AARNet is financially, socially and environmentally responsible
- **46** People: Optimising our organisation through our people
- **50** Corporate governance
- 52 CEO Tribute: Acknowledging a legacy

FINANCIALS

57 AARNet Pty Ltd Directors' Report and Consolidated Financial Report 2024

ACKNOWLEDGEMENT OF COUNTRY

AARNet acknowledges the Traditional Custodians of the lands we work upon and connect across, recognising the profound connection to lands, waters and communities where we operate. We honour the enduring cultural legacy and continuous thread of storytelling and communication of the world's most ancient living cultures. We extend our respect to the Elders, those who have passed, those who are with us today, and those who will guide us into the future. AARNet provides reliable, high-performance telecommunications services and an expanding portfolio of data, collaboration and cyber security services – all designed to meet the specialised needs of Australia's research and education sector.

WHO WE ARE AND WHAT WE DO

We operate Australia's national research and education network – critical infrastructure that connects more than two million users across the country. The network links a broad cross-section of organisations with a research and education mission to each other, to global research and education networks, the public internet, and to essential resources such as cloud services, digital content, scientific instruments, data storage and high-performance computing.

AARNet infrastructure underpins education across the lifelong learning spectrum and supports research in the sciences and humanities – from high energy physics and climate science to genomics, radio astronomy, defence, space and the arts.

AARNet Pty Ltd is the not-for-profit company that builds and operates this infrastructure. It is owned by 38 Australian universities and CSIRO and serves these institutions along with most publicly funded research agencies (including the Australian Nuclear Science and Technology Organisation, Geoscience Australia and the Australian Institute of Marine Science), many schools, TAFEs and hospitals, and a wide range of galleries, libraries, archives and museums.

With its origins more than 35 years ago as a pioneer of the internet in Australia, AARNet has continued to evolve its services to meet the ever-changing needs of researchers and educators – helping to remove barriers to discovery, learning and innovation in an increasingly globalised and data-intensive world.

ABOUT US

WHAT SETS AARNET APART?

We pride ourselves on being future focused and providing what commercial operators are unequipped or unable to provide: an ultra-high-speed network and over-the-top services that push the boundaries of networking technology while delivering cost-effective and sustainable infrastructure for Australia. The research and education community relies on AARNet for outstanding service availability and service quality.

OUR VALUES

One Team

- Everyone counts and is accountable.
- We are committed to teamwork and partnerships collaboration is at our heart.

Creativity

- Strive to innovate it's in our DNA.
- We embrace creative solutions to problems, seek out diverse perspectives and enjoy what we do.

Trust

- Communication is open and transparent.
- We are honest and ethical, and always respect and support each other.

OUR MISSION

Our mission is to enable globally competitive research, education and innovation by providing trusted and transformational connectivity and collaboration services to meet the unique needs of our customers.







AARNet Annual Report 2024 | PUBLIC

ABOUT US

MESSAGE FROM THE CHAIR

This year, we made significant progress in improving the resilience of our national network infrastructure, enhanced our cyber security services, and strengthened our international collaborations. These achievements reflect AARNet's ongoing commitment to meeting the evolving needs of the research and education communities we serve.

2024 is also a milestone year as it marks the final full year of service for our long-standing Chief Executive Officer, Chris Hancock AM, who will retire in July 2025. Chris has led AARNet for more than two decades, transforming the company into a trusted partner and technology leader in the sector. His legacy is one of vision, integrity, and connection - both in terms of infrastructure and the relationships he has fostered across Australia and globally.

With the transition to new leadership planned for mid-2025, the Board is focused on ensuring continuity and stability, supporting a smooth handover, and setting the organisation up for its next chapter. AARNet is well-positioned for the future: financially sound, strategically focused, and guided by a clear sense of purpose.

On behalf of the Board, I extend our thanks to Chris for his extraordinary service, and to all AARNet staff for their dedication and professionalism throughout the year.

We look forward to continuing to work in partnership with our shareholders and stakeholders to support Australia's research and education sector.

Professor Emeritus Ian O'Connor AC Chair, AARNet Board





AS CHAIR OF THE AARNET BOARD. I AM PLEASED TO PRESENT THE 2024 ANNUAL REPORT -A REFLECTION OF A YEAR MARKED BY STRATEGIC INVESTMENT, STRONG PARTNERSHIPS. AND CONTINUED SERVICE TO THE RESEARCH AND EDUCATION SECTOR IN AUSTRALIA.

ABOUT US

MESSAGE FROM THE CEO

Key achievements this year included upgrades to our network capacity, strengthening resilience through diversity and triversity, expanding the reach of our network, and going beyond connectivity by continuing to develop cyber security services and other digital solutions that support collaboration and digital research. We also deepened our engagement with the research and education sector – working closely with institutions to better understand their needs and co-design solutions. These efforts support our vision of a digitally empowered research and education sector.

We also strengthened partnerships with our global research and education network peers, contributing to initiatives that boost intercontinental connectivity and improve collective resilience across the Asia Pacific and beyond. Our support for high-impact national and international research, collaborative teaching and learning, and digital innovation remains at the heart of everything we do.

On a personal note, 2024 has been a reflective year. After more than 20 years as CEO, I will be stepping down in July 2025. It has been a privilege to lead AARNet through a period of transformation and growth, and to work alongside such passionate, mission-driven people. I am incredibly proud of what we've built together – from expanding our national and international footprint to pioneering new services that meet the sector's evolving needs.

Looking ahead, AARNet is in a strong position to continue delivering value for our shareholders and customers. I want to thank our Board, the AARNet Advisory Committee, our shareholders, customers and partners in industry and government, and the highly dedicated AARNet team for their trust and support over the years. I look forward to supporting a smooth transition to new leadership in 2025 and to see AARNet go from strength to strength.

Chris Hancock AM Chief Executive Officer, AARNet



IN 2024, AARNET CONTINUED TO FOCUS ON DELIVERING HIGH-PERFORMANCE NETWORK, DIGITAL AND CYBER SECURITY SERVICES THAT ENABLE AUSTRALIA'S RESEARCH AND EDUCATION INSTITUTIONS TO THRIVE IN A GLOBALLY CONNECTED WORLD.

THE YEAR IN REVIEW 2024





STRATEGIC PLAN

Guided by our values and mission, the AARNet 2023–2027 Strategic Plan continues to shape our direction, defining six key pillars – network, community, products and services, security, sustainability, and people – that drive our work.

By maintaining our focus on these six priorities throughout 2024, we continued to deliver world-class digital infrastructure and services for research and education, while expanding the reach and strengthening the resilience of our network. We also broadened our cyber security capabilities, evolving our Security Operations Centre and related services in partnership with the sector, and played a key role in driving collaboration and innovation across research and education. We remain committed to conducting business responsibly, adapting to the evolving needs of our shareholders and customers, and creating an environment where our employees can thrive – both individually and as a team.

BEYOND CONNECTIVITY

DELIVERING ON OUR STRATEGY: HIGHLIGHTS

MISSION: TO PROVIDE TRUSTED AND TRANSFORMATIONAL CONNECTIVITY AND COLLABORATION SERVICES TO MEET THE UNIQUE NEEDS OF RESEARCH AND EDUCATION

STRATEGIC PILLARS: 1. NETWORK	2. COMMUNITY	3. PRODUCTS	& SERVICES	4. SECURITY	5. SUSTAINAB
Advance Australia's national research and education network and digital infrastructure	Empower and grow our communities	Develop innovati and services	ve products	Strengthen the cyber security capability and resilience of the research and education sector	Ensure AARNet is and environment
99.99% Network availability	K-12 New CEnet partnership	(()))) eduroam		Caarnet Security Operations Centre (SOC)	\$5.585 M Net surplus
400 Gbps Optical network upgrade	A R D C Nectar node partnership	5.25 M Authentications in Australasia	8.4 M Authentications worldwide	26 B/day Log events ingested on average	\$229.488 I Net assets
400 Gbps AARNet5 routed network upgrade	4.9% Year-on-year growth in telecommunications revenue	ZOOM Ten years of collaboration with AARNet	2024 First-ever Zoom APAC Platinum Partner of the Year	2595 Security incidents investigated 140+	2024 First Modern Slav 2024
\$55.819 M Invested in network and related infrastructure	50+ Conferences and events	Ģ	ο ο ο⊖ο ο δ	Different platforms supported	Accelerated CEV deployment
500+ km		11.35 M Meetings	47.03 M Meeting participants	24/7 Cybera 24/7 Eyes on Glass partnership	
Fibre installed		File 🗐	5,014		

AARNet Annual Report 2024 | PUBLIC

New users since

Data transferred

July relaunch

278 TB

Sender

278,242

Files uploaded

BILITY

is financially, socially ntally responsible

avery Statement

V solar panel

6. PEOPLE

Optimise our organisation through our people

247 Employees

61/247 25% Female employees

186/247 75% Male employees

KEY MEASUREMENT billion В Gbps gigabits per second km kilometres М million ΤВ terabytes

ADVANCING AUSTRALIA'S NATIONAL RESEARCH AND EDUCATION NETWORK AND DIGITAL INFRASTRUCTURE

Core to AARNet's mission is the operation of an ultra-fast, high quality and highly available trusted national and international telecommunications network to meet the unique needs of the research and education sector.

AARNet Annual Report 2024 | PUBLIC

THE YEAR IN REVIEW: NETWORK

NETWORK PERFORMANCE

Throughout 2024, the AARNet network continued to perform at consistently high levels while carrying increasing volumes of traffic for customers. In 2024, the average network availability remained at 99.99%, matching the level achieved in 2023.

This exceptional reliability, maintained across AARNet's vast geographic footprint, is the result of strategic long-term planning and carefully designed network redundancy. Diversity and triversity in the network architecture and equipment enables our operations team to deploy alternate paths, minimising the impact of outages on customers.

INFRASTRUCTURE, ARCHITECTURE AND OPERATIONS

Throughout 2024 AARNet continued investing in upgrading network capacity, building diversity and triversity, and expanding the geographic reach of the AARNet network.

Careful capacity planning is key to staying ahead of demand and supporting the increasingly data-intensive requirements of research. This is one of the distinguishing features of a research and education network such as AARNet.

Peak academic periods shape our sustained capacity needs, while disciplines such as radio astronomy, climate science, and bioinformatics drive absolute peak capacity. We continually monitor traffic levels across the AARNet backbone to determine when and where upgrades are required. This approach enables us to provide a consistently high-quality service for our customers.

THE YEAR IN REVIEW: NETWORK

The unprecedented fire, flood, and pandemic disasters of recent years tested our network resilience in ways we had never experienced before. Despite having network diversity in place, challenges beyond our control – such as prolonged flooding and access restrictions – delayed our ability to respond to outages, sometimes by weeks instead of hours.

In response, we have made significant progress in strengthening our network and infrastructure resilience. Over the past year, we have expanded network diversity by building additional network paths, explored more resilient energy and equipment solutions, and relocated controlled equipment vaults above new record flood levels. These efforts are already enhancing our ability to maintain connectivity in the face of extreme events, ensuring we can better support research and education across the country.

Expanding our national network

In 2024, diverse fibre was deployed across all states and territories, with targeted investments in capital cities – closing loops, increasing core counts, and shortening paths – to improve performance, reduce latency, and enhance network resilience for connected institutions. We also extended our footprint in regional and remote areas to connect more campuses, research facilities, and scientific instruments, supporting equitable access to high-speed, reliable connectivity.

Upgrades to the optical, layer-2 and routed network layers continued throughout the year, ensuring the capacity and flexibility required to support increasingly data-intensive research and large-scale collaboration. Previous page: Inspecting antennas that form part of an early working version of the SKA-Low telescope, located at Inyarrimanha Ilgari Bundara, the CSIRO Murchison Radioastronomy Observatory. Opposite far right: Our teams travelled to remote outback locations, sometimes camping on site. Opposite right: Board Director Rob Fitzpatrick with an AARNet team member during a leadership safety visit to a CEV site in Victoria.

One of the most significant achievements was the completion of the optical fibre link between Toowoomba and Darwin, bringing multiple hundreds of gigabits per second (Gbps) of capacity online and connecting Darwin to AARNet's national optical backbone for the first time. This extension marks a major step forward in expanding our reach into northern Australia and supporting future growth in the region. Delivering infrastructure in these remote locations presented substantial challenges, from working around the wet season to accessing controlled environment vaults (CEVs) located hours from the nearest roads. Our teams camped onsite for extended periods, demonstrating extraordinary commitment in harsh and unpredictable conditions.

In Western Australia, AARNet connected the European Space Agency DSA 1 (Deep Space Antenna 1) ground station north of Perth, enabling high-speed transfer of satellite data used for weather forecasting, environmental monitoring,



and other scientific applications. This connection supports international collaboration through AARNet's partnership with GÉANT, the pan-European research and education network, and reflects our ongoing commitment to facilitating seamless research data exchange across borders.

Further north in WA, AARNet delivered diverse highspeed services to Geoscience Australia's Yarragadee site, significantly increasing capacity to support critical scientific research and data processing activities.

In metropolitan areas, we continued to deliver new services and upgrades to campuses and research facilities across the country. A notable example was our support for Edith Cowan University's new campus development in Perth. The project involved planning and coordination with construction partners to deliver high-capacity 10 Gbps services in a complicated environment – demonstrating AARNet's ability to work flexibly and collaboratively in challenging conditions.

AARNet Annual Report 2024 | PUBLIC

Delivering regional connectivity

During 2024, AARNet commenced planning and delivery of projects funded under the Australian Government's Regional Connectivity Program (RCP) to enhance digital connectivity for research and education in regional Western Australia and the Northern Territory.

Planning is underway to extend AARNet's optical fibre network to Batchelor in the Northern Territory, improving connectivity for key institutions, including the council building, museum, school, community health centre, and the Batchelor Institute of Indigenous Tertiary Education – Australia's only First Nations dual-sector tertiary institution.

Similarly, in regional Western Australia, planning is underway for the deployment of fibre broadband and fixed wireless services to the towns of Three Springs, Mingenew, Coorow, and Carnamah. These projects will enable public schools, libraries, and community facilities to connect to high-speed

THE YEAR IN REVIEW: NETWORK

integral to maintaining high-performing international connectivity.

Right: Subsea cable systems are



AARNet services, supporting improved digital access and

research capabilities in these regional communities.

Improving resilience and sustainability

In early 2024, AARNet was awarded Commonwealth funding under the Telecommunications Disaster Resilience Innovation (TDRI) program, supporting efforts to improve the reliability and environmental sustainability of our network infrastructure, particularly in disaster-prone or remote areas.

As part of this program, work began on enhancing renewable energy capabilities at 27 critical sites across New South Wales, Western Australia, and South Australia. These upgrades include the installation of battery storage systems, solar panel. The goal is to reduce reliance on grid electricity and minimise carbon emissions by enabling sites to operate independently, even in the event of power outages or natural disasters.

AARNet also commenced planning and deploying portable emergency power solutions to improve our ability to respond quickly to network disruptions. Pre-configured CEVs complete with integrated power systems and network equipment are being staged on both coasts, along with "generator on a trailer" systems in Victoria, New South Wales, and Western Australia. These resources will allow rapid deployment of backup power to safeguard services during extreme events, ensuring continuity of operations when it matters most.

These initiatives are a key part of AARNet's long-term approach to network resilience – combining strategic planning, environmental responsibility, and rapid response capability to provide the research and education sector across Australia with reliable connectivity.

Implementing the AARNet5 network and systems upgrade

AARNet5 is a multi-year program to upgrade the AARNet network and the operational support systems (OSS) that underpin its performance, automation, and service delivery. In 2024, the network hardware replacement workstream gained momentum, with a Sydney–Melbourne route selected as the pilot.

Installation of new equipment along the route was completed, and was used to test equipment, configurations, and automation capabilities under real-world conditions. The first customer services were successfully migrated, providing valuable insights to inform the broader rollout. This work will continue through to 2026, with the majority of customer service migrations planned for 2025.

In parallel, the OSS workstream progressed through the design and planning phase. The initial focus was on delivering the foundational inventory and automation capabilities needed to support the hardware upgrade. From Q4 2024, the program shifted to a broader architectural focus, prioritising improvements in configuration, monitoring, orchestration, and the overall customer experience.

Strengthening international network partnerships

In 2024, AARNet worked closely with global and regional national research and education network partners to strengthen the resilience of international research and education connectivity. AARNet is a member of several key international collaborations – the Asia-Pacific Europe Ring (AER), the Asia Pacific Oceania Network (APOnet), and Collaboration Asia Europe-1 (CAE-1). These partnerships aim to expand path diversity and redundancy across the global research and education infrastructure and are increasingly vital as risks to subsea cables – both accidental and deliberate – continue to escalate.

AER is a collaborative that integrates diverse circuits between Europe and the Asia-Pacific region. APOnet focuses on high-capacity connectivity across the Pacific Rim. CAE-1, led by AARNet, provides dedicated 100 Gbps capacity between Singapore and London and forms a foundational link within AER. Together, these initiatives ensure resilient and highperformance global connectivity for research and education. The value of these collaborations was underscored in February 2024, when three major submarine cables – AAE-1, EIG, and SEACOM/TGN-Eurasia – were simultaneously cut in the Red Sea, reportedly linked to regional conflict. Thanks to pre-established redundancy within CAE-1, traffic was automatically rerouted from Asia to Europe and AARNet traffic was unaffected.

In a later separate incident, the nearby SEAMEWE5 cable was cut in the Malacca Strait, further impacting traffic between Asia and Europe. AARNet's capacity on SEAMEWE5, delivered via CAE-1, was directly impacted. Traffic to AARNet's London facility automatically switched to a pre-established backup route via Singapore, Tokyo and Amsterdam. This circuit – established by Japan's National Institute of Informatics (NII) and made available to AER members – traverses the North Pacific, the North American mainland, and the North Atlantic.

To further reduce latency, AARNet then established another path with the cooperation of KAUST (King Abdullah University of Science and Technology), traversing the Arabian Peninsula, and continuing on to India and Singapore.

These seamless switches ensured continuity of service for Australian research and education institutions, highlighting the importance of diverse and resilient network paths.

THE YEAR IN REVIEW: NETWORK

In the Pacific, AARNet supported APOnet efforts to strengthen regional resilience by helping REANNZ, New Zealand's research and education network, establish a diverse path on the Southern Cross NEXT cable system. This serves as a backup path for the Hawaiki cable, enhancing trans-Tasman and trans-Pacific redundancy between Australia, New Zealand, and North America.

To further enhance and safeguard global connectivity, national research and education networks collaborated through initiatives like the Global Network Advancement Group (GNA-G) and its various working groups. One of these, the GREN (Global Research and Educaton Network) Resilience Working Group, is focused on reviewing international links and exchange points to identify single points of failure and regions lacking redundancy - helping to guide future investment and planning across the global research and education network.

Frequent submarine cable faults on Indigo West near northwest Java prompted the Indigo Management Committee to deploy patrol boats to monitor the area and deter vessel activity that could damage the cables. A 100-kilometre high-risk stretch near Jakarta has been identified. An automatic identification system (AIS) service is also tracking vessel movements in the area. Together, patrol boats and AIS monitoring aim to reduce the risk of cable damage from maritime activity.

To support broader cable protection efforts, AARNet joined the International Cable Protection Committee (ICPC) in 2024. The ICPC brings together governments, telecom

operators, and cable owners to collaborate on best practices and improve the security of undersea telecommunications infrastructure.

These international efforts, built on collaboration, redundancy and forward planning, ensure that AARNet remains well positioned to maintain high-capacity global connectivity – keeping Australia's research and education institutions connected to the world.

Uplifting network security through routing practices

As well as uplifting routing security for its own network, AARNet has been instrumental in supporting its customers to strengthen their routing security - helping prevent accidental or malicious hijacking of IP address ranges and ensuring traffic is not diverted via incorrect paths. In 2024, AARNet's Director of Architecture concluded his term as Steering Committee Co-Chair of the Mutually Agreed Norms for Routing Security (MANRS), a global initiative supported by the Global Cyber Alliance that promotes best practices to protect the stability and reliability of the internet. Throughout the year, MANRS provided timely guidance to network operators and shared critical fixes to mitigate threats such as route hijacking, route leaks, and IP address spoofing. Routing security has also been embedded in the GNA-G Routing Working Group, co-chaired by AARNet's Director, Architecture, helping to extend these improvements globally across the GREN.







Above: Heavy equipment arrives for the construction of fibre in outback Western Australia. Left: AARNet team members observe site preparations for a new Controlled Environment Vault.



AARNet fosters collaboration, knowledge sharing, and discovery by connecting organisations dedicated to research and education across Australia. We work closely with our partners to provide the infrastructure and services they need to drive excellence in research and innovation.

EMPOWERING AND GROWING OUR COMMUNITIES

HEALTH AND MEDICAL RESEARCH AND EDUCATION

By connecting researchers and educators at university campuses, health research organisations and precincts across Australia, AARNet underpins life-changing research and supports innovation in health education.

Many of the country's leading health research and education facilities are connected to AARNet, along with the specialised scientific instruments and supercomputing facilities researchers rely on. AARNet also supports the deployment of eduroam, the global Wi-Fi roaming access service, in hospitals and health-related institutions, enabling seamless mobility for students, faculty, and researchers across campuses, laboratories, and healthcare settings.

Scaling connectivity for health innovation

As health research data grows exponentially – driven by advances in imaging and genomic sequencing – the demand for high-capacity network connectivity continues to rise. AARNet provides the reliable connectivity required for researchers to seamlessly transfer data from clinics and

THE YEAR IN REVIEW: COMMUNITY

laboratories to supercomputing facilities, ensuring timely analysis and collaboration across institutions.

K-12 SCHOOLS

In 2024, more Australian K-12 schools benefited from AARNet's high-performance network, with new customers experiencing resilient bandwidth for the first time and existing schools expanding their use of cloud-based content and online learning platforms. By the end of the year, more than 1.3 million K-12 students at over 3,600 schools were connected to AARNet.

Notably, AARNet partnered with CEnet – the leading ICT shared services provider for Catholic education – to extend high-performance network connectivity to more than 300,000 students at schools across 17 Catholic dioceses in New

South Wales, Queensland, the Australian Capital Territory, and the Northern Territory. This collaboration is improving access to digital resources, providing students, teachers, and staff in CEnet member dioceses with faster, more reliable connectivity to support seamless learning experiences.

Championing safe and secure digital learning

Recognising the growing cyber security challenges in education, AARNet collaborated with schools to implement resilient network solutions, provide guidance, and raise awareness about evolving cyber threats. The AARNet team led panel discussions at conferences and events, helping schools navigate the complexities of cyber security.

To further support schools in addressing online safety, privacy, and security challenges, AARNet partnered with the Future of Privacy Forum (FPF) to deliver a three-part event series









Recognising the online safety and cyber security challenges for K-12 schools, AARNet participated in various events in 2024, including moderating panel discussions at ICT in Schools conferences in serveral states (top row) and delivering an event series in partnership with the Future Of Privacy Forum (bottom row). focused on digital policy issues affecting young Australians. School customers were invited to participate in discussions alongside industry leaders, academic experts, leading political and government representatives, and policymakers. The series covered key themes, including building a safer internet, the impact of generative AI on children's online experiences, and digital security and trust. Insights from these discussions will contribute to a policy recommendations paper to inform government decision-making on privacy and security frameworks for the education sector.

Empowering learning through connectivity

For over a decade, AARNet has supported the work of AIME (Australian Indigenous Mentoring Experience) by providing connectivity and Zoom services, ensuring ongoing access to mentoring and educational resources for Indigenous high school students.

VOCATIONAL EDUCATION AND TRAINING

AARNet continued to support the sector by providing high-performance connectivity and services, such as Zoom and eduroam, to Australia's vocational education and training (VET) community. By connecting TAFEs and other registered training organisations, we support the delivery of modern, technology-enabled curricula, and contribute to the development of skills essential for Australia's future workforce. This work aligns with our broader commitment to fostering lifelong learning and ensuring equitable access to high-quality education and training opportunities for communities nationwide.

RESEARCH

Throughout 2024, AARNet continued to deepen engagement with the research community, supporting projects that advance digital infrastructure, data-intensive science, quantum research, digital preservation, and humanities research. Our work enables researchers to harness highperformance networks and secure platforms to accelerate discovery and impact.

Collaborating for research impact

A key initiative was the establishment of the Digital Nexus Alliance (DNA), where AARNet joined forces with the Australian Research Data Commons (ARDC), Australian Access Federation (AAF), National Computational Infrastructure (NCI), and Pawsey Supercomputing Centre. DNA collaborates closely with the Australian government's National Collaborative Research Infrastructure Strategy (NCRIS) facilities and the wider research community to develop sustainable and scalable data tools and services that support national and international research efforts.

AARNet played a role in supporting precision timekeeping research, working with the University of Technology Sydney on the ARC Discovery Project, Internet Timing for the Ages: Establishing the New Timekeeping System. By providing network and data centre access, AARNet is enabling highprecision timekeeping measurements that support research and industry applications requiring extreme accuracy.

In digital preservation, AARNet is a partner in the Australian Emulation Network: Accessing Born Digital Cultural Collections project, part of an ARC Linkage Infrastructure, Equipment and Facilities (LIEF) initiative. This nationalscale platform is designed to ensure long-term access to historically and culturally significant digital collections, ultimately benefiting universities, cultural institutions, and the wider public.

This highly successful initiative has been granted a twoyear extension – from April 2025 to April 2027 – through the ARC LIEF project, "The Australian Emulation Network Phase 2 – Extending the Reach", with AARNet continuing as a partner investigator. This next phase significantly broadens the network of participants, adding 22 new organisations including university, museum and GLAM partners.

THE YEAR IN REVIEW: COMMUNITY

The project is also engaging with key advocacy groups such as the Australian Digital Alliance, Australian Libraries and Archives Copyright Consortium, and Museum of New Zealand Te Papa Tongarewa, further strengthening international collaboration in digital preservation.

AARNet's ongoing membership in the Digital Preservation Coalition and GLAM Peak reinforces our commitment to supporting national and international efforts in digital cultural heritage preservation.

Work also continued for the Language Data Commons of Australia project, which has now entered its second phase (2023–2028). Supported by the ARDC, this initiative is building a national repository and workspace infrastructure to preserve and analyse language collections at scale. As a technical partner, chief investigator, and steering committee member, AARNet is collaborating with Australian universities, PARADISEC (the Pacific and Regional Archive for Digital Sources in Endangered Cultures), and First Languages Australia to unlock the social and economic potential of Australia's linguistic heritage.

AARNet is also working closely with quantum research groups at universities across Australia to explore how digital infrastructure and high-performance networking can support advancements in quantum science and technology. In 2024, early investigations began into the development of a quantum network testbed, examining how a dedicated environment could support quantum key distribution (QKD), enable quantum entanglement experiments over long distances, and facilitate the development of new quantum networking protocols.

To further expand engagement across disciplines, AARNet explored new research collaborations in microscopy, photonics, life sciences, and Humanities, Arts, and Social Sciences (HASS). This helps us understand researchers' evolving needs and support future discoveries.



Developing digital skills for researchers

AARNet continued to support digital skills development in the research community as part of the Australian Carpentries partnership, working alongside the ARDC, the Pawsey Supercomputing Centre, and the Queensland Cyber Infrastructure Foundation (QCIF) to deliver instructor training workshops. This initiative helped to expand the national pool of Carpentries instructors and equipped researchers with essential coding and data science skills.

AARNet supported researchers through workshops at key events, including ResBaz (Brisbane and Melbourne) and eResearch Australasia, with sessions on Network Know-how, Data Movement, and a new Globus workshop.

We also facilitated sessions at the ARDC Skills Summit, offering a Carpentries introduction for all participants, and at the VALA Conference, where we co-hosted a GitHub workshop. At Research Support Community Day, we delivered a session on cyber security for researchers and ran two data movement workshops in collaboration with the Queensland University of Technology library team.

CONFERENCES AND EVENTS

Each year, AARNet actively participates in research and education community events, hosting, presenting, attending, and providing sponsorship and network support for conferences, workshops, and forums. These activities help build and strengthen our relationships with the community we serve.

Engaging with the community

The AARNet team supported and participated in over 35 national events in 2024, including: AHECS Cybersecurity Summit, AISA CyberCon, AUSCERT Cyber Security Conference, AusNOG Conference, AeRO Forums, Australian Independent Schools NSW ICT Leadership Conference, ICT in Schools, ARDC Digital Research Skills Summit, Fantastic Futures Canberra, Making Meaning, Research Support Community Day, Networkshop Local, ResBaz Queensland and Victoria, eResearch Australasia Conference, The Internet Engineering Task Force Brisbane, QUESTnet, Universities Australia Conference, World Science Festival Brisbane, Zoom Education Summit and others.

Left: Whether in-house or out and about, our team supports the research and education community by hosting and participating in a wide range of events and conferences.

Fostering international engagement and collaboration

In February 2024, AARNet hosted the Global CEO Forum in Sydney, bringing together leaders of research and education networks to discuss shared challenges and future priorities. AARNet continued to play a key role in the network of global research and education networks, hosting and managing content for the In The Field website (inthefieldstories.net) – a platform for sharing impact stories and promoting the value of research and education networks worldwide. At the end of 2024, the site featured 485 stories from 109 networks.

AARNet staff remained engaged in international collaborations, participating remotely and in person in global projects, working groups, conferences, and forums. These included: Asia Pacific Advanced Network (APAN) meetings, Pacific Telecommunications Council conference, Galaxy Community Conference, Globus World conference, TNC, Global NREN CEO Forum, GÉANT Marcomms Special Interest Group, GÉANT Education Task Force, Global Network Advancement Group, IETF, Internet2 Tech Exchange, SC24, Data Mover Challenge and others.

DEVELOPING INNOVATIVE PRODUCTS AND SERVICES

In 2024, AARNet remained dedicated to developing and delivering technologies and services tailored to the unique and specialised needs of Australia's research and education sector. Our focus remains on working closely with shareholders and customers, fostering partnerships, and refining our processes to enhance existing services, address emerging needs, and accelerate the delivery of new solutions.

Over the past year, our portfolio – including connectivity, collaboration and communication, digital research and cyber security solutions – continued to gain adoption across the sector.



THE YEAR IN REVIEW: PRODUCTS & SERVICES

CONNECTIVITY & ACCESS

Network Services: High-capacity resilient connectivity

Ensuring network resiliency and uninterrupted access to critical services is a top priority for AARNet customers across the sector. In 2024, universities, schools, hospitals, and research institutes continued to upgrade their connections, with many also investing in diverse network paths to enhance reliability and safeguard operations.

The AARNet optical network upgrade was completed, enabling the provisioning of 400 Gbps Layer-2 optical services. Several universities upgraded to 400 Gbps, while others, along with some larger research institutes, opted for multiple 100 Gbps connections to support high-performance computing, big science research, and business operations.

On the routed network, which enables customers to connect to the public internet and global research and education institutions, several institutions upgraded their connectivity to 100 Gbps in 2024, with many also procuring additional backup links to enhance resilience.

As demand for higher-capacity connections continues to grow, the AARNet5 project is now underway to upgrade the routed network to 400 Gbps. As part of this effort, the Melbourne–Sydney intercapital routed network path was upgraded to 400 Gbps in 2024, and a university has already procured 400 Gbps connectivity – marking a key milestone in supporting the sector's evolving data needs.

The reliability of the AARNet network remains a key driver for customers requiring fast, scalable, and cost-effective connectivity for teaching, learning, and research. This is evident in the continued uptake of 1 Gbps-10 Gbps, and in some cases 100 Gbps, direct-connect services to hyperscalers and cloud service providers hosted in data centres across Australia. In the K-12 school sector, demand for high-capacity links also grew, with large schools increasingly ordering multiple 10 Gbps network links over diverse paths rather than 1 Gbps internet connections. This shift highlights the growing reliance on dedicated, high-capacity connectivity for curriculum delivery and day-to-day operations, while also reinforcing the critical role of network resiliency in keeping these institutions connected to the internet.

Eduroam : Global roaming for research and education

Eduroam (education roaming) is a global Wi-Fi authentication and access service designed specifically



for the research and education community. By enabling students, researchers, and staff from participating institutions to connect securely at thousands of hotspots across more than 100 countries, eduroam removes barriers to collaboration and mobility.

With international travel intensifying in 2024, eduroam usage surged once again, building on the sharp growth recorded in 2023 and reaching new milestones. Australian researchers and students increasingly relied on eduroam while travelling, with 851,718 users accessing the service overseas – a 40% increase from 2023. Meanwhile, 735,607 international visitors connected via eduroam in Australia, a 56% rise from the previous year, reinforcing Australia's role as a key destination for the global research and education community.

Domestically, eduroam usage reached record levels, with 5.25 million authentications logged in Australia, contributing to a global total of 8.4 billion authentications – a new benchmark for the service. These figures highlight the growing reliance on eduroam's secure, federated access model and its increasing adoption by institutions worldwide as a standard for research and education mobility. eduroam was deployed at several new sites in Australia in 2024, including the Neuroscience Research Australia (NeuRA) campus in Randwick, New South Wales, the Australian Cyber Collaboration Centre (Aus3C) at Lot Fourteen in Adelaide, South Australia, and the Ecosciences Precinct in Brisbane, Queensland.

COLLABORATION & COMMUNICATION

Zoom: Seamless collaboration for teaching, learning and research

In 2024, AARNet and Zoom celebrated 10 years of working together, continuing to support real-time online communication for more than two-thirds of Australian higher education institutions through Zoom meetings, webinars, and events. Several universities expanded their use of Zoom during the year to include its newer products, Contact Center and Phone. Zoom Rooms remained a key area of growth, continuing a trend from 2023, as many institutions advanced their hybrid learning strategies across a variety of room types and teaching methodologies.

While the total number of Zoom meetings occurring throughout the year decreased by 10%, the post-COVID-19 pandemic decline slowed noticeably, with several larger institutions reporting increased Zoom meeting usage in the second half of 2024 for the first time. The sector appears to have plateaued at approximately 40% of peak COVID-19 pandemic usage levels, with growth now being strategic, seasonal, and planned. The flexibility and reliability of Zoom and Zoom Rooms continue to make them the preferred tools for synchronous online teaching, as indicated by anecdotal feedback from academics and students.

Al Companion, Zoom's built-in artificial intelligence features, emerged as a key innovation in 2024. Offered at no additional cost with Zoom's education licenses, Al Companion saw nearly all universities conduct pilot deployments, with many rolling out automated meeting summaries and smart attendee recognition in Zoom Rooms at scale. It is now rare to find a university that has not updated its AV standards to ensure Zoom Room, BYO Zoom, or an equivalent solution is at the core of their learning space infrastructure. This shift has also driven a trend toward simplified AV setups, reducing both technology refresh costs and reliance on expensive hardware while enabling regular software-driven feature updates.

Our customers continue to benefit from AARNet's direct relationship with Zoom, as well as from collaborations between universities, K-12 schools, and research institutes.

THE YEAR IN REVIEW: PRODUCTS & SERVICES

In 2024, AARNet became Zoom's first-ever Platinum-level Partner in Australia and remains an active member of Zoom's Global Partner Advisory Council.

DIGITAL RESEARCH

As research becomes increasingly data-intensive, the digital research infrastructure we provide ensures reliable access to platforms, data, and services essential for research collaboration and discovery. Supporting research is at the core of our mission, and our approach combines delivering robust products and services and partnering on strategic projects to meet the evolving needs of the research community.

Globus: Secure, high-performance research data transfers

Adoption of Globus through AARNet continued to grow in 2024 as research groups sought a security-conscious solution for large-scale data transfers. Globus is widely used by researchers at hundreds of universities and institutions worldwide to manage complex data movement, including transferring data between research facilities and hosting research collections.

AARNet's Globus offering is competitively priced and leverages the high-bandwidth, low-latency AARNet network for faster transfers between unlimited endpoints. It also includes dedicated AARNet support for onboarding, integration, and training.

To further support the research community, a Globus Community of Practice was established in 2024, fostering collaboration and knowledge sharing among Australian researchers using the platform.

FileSender: Scalable, secure file sharing for research

In an era where seamless collaboration and efficient communication are essential, AARNet FileSender continues

to provide the research and education sector with a secure, high-performance file-sharing solution. Following its transition to a standalone service, FileSender reached a significant milestone in 2024 with the launch of version 3.0, introducing a revamped user interface and improved usability and workflow.

Since the relaunch of FileSender 3.0 in July, more than 5,000 new users have joined, contributing to more than 278,000 files uploaded, and 278 terabytes of data transferred in 2024 alone. This strong uptake highlights the ongoing demand for a reliable and scalable solution for sharing research data.

Unlike traditional file transfer methods, FileSender eliminates email attachment limits and file size restrictions, ensuring large-scale research data can be shared swiftly and securely. With intuitive UI enhancements and improved visibility of transfers and settings, researchers and educators can manage file sharing with even greater ease.

AARNet offers FileSender at no cost to institutions affiliated with the Australian Access Federation (AAF), allowing users to log in with their institutional credentials for a seamless and secure file-sharing experience.

Managed Research Infrastructure: Hosting national research platforms

AARNet continues to expand its infrastructure and hosting capabilities through strategic partnerships, supporting largescale national research platforms that enable cutting-edge research across multiple disciplines.

AARNet ARDC Nectar Node

Our partnership with the Australian Research Data Commons (ARDC) aligns with the 2024 National Digital Research Infrastructure Strategy, supporting a secure, national-scale data and computing environment



for researchers. A key focus is enabling a system-wide solution that allows researchers to conduct highly sensitive research securely while protecting valuable digital resources.

A major milestone for this collaboration is the establishment of a new national node of the ARDC Nectar Research Cloud at AARNet's Sydney data centre. As Australia's national research cloud, Nectar provides researchers with fast, interactive, self-service access to large-scale computing, software, and data. This initiative is jointly operated by ARDC and AARNet and is part of a broader effort to expand secure, scalable digital research infrastructure in Australia.

Galaxy Australia

Through a partnership with the Australian BioCommons, the head node and associated services for Galaxy Australia are hosted on AARNet infrastructure. The AARNet solution provides a long-term high-performing, reliable and



SUPPORTING RESEARCH IS AT THE CORE OF OUR MISSION, AND OUR APPROACH COMBINES DELIVERING ROBUST PRODUCTS AND SERVICES AND PARTNERING ON STRATEGIC PROJECTS.

scalable hosting environment for Galaxy Australia, a major web-based processing platform used by over 25,000 life scientists for conducting computational biological research.

Both these initiatives have provided AARNet with an infrastructure management model that we can expand to other research groups.

CYBER SECURITY

Malicious cyber threats to network availability and information security in the research and education sector continued to escalate in 2024. In response, AARNet expanded its security capabilities, increasing staffing, monitoring, and service development to enhance network resilience, strengthen the sector's overall security posture, and support risk mitigation efforts.

Details on AARNet's cyber security services and initiatives are in the Security section of this report, starting on page 39. THE YEAR IN REVIEW: SECURITY

STRENGTHENING THE CYBER SECURITY CAPABILITY AND RESILIENCE OF THE RESEARCH AND EDUCATION SECTOR

AARNet provides leadership and services to help the research and education sector navigate cyber security challenges and mitigate risk. We continuously assess and enhance the security, resilience, and risk posture of our infrastructure, which underpins critical research and higher education. Our historic and ongoing efforts align with the Australian government's regulatory framework, ensuring compliance with the Security of Critical Infrastructure Act 2018 (including its 2021 and 2022 amendments) and the Cyber Security Act 2024, reinforcing our commitment to robust security and risk management.

CYBER SECURITY PRODUCTS AND SERVICES

In 2024, we continued to expand AARNet's cyber security services for the research and education sector, enhancing threat detection, response, and risk mitigation. These advancements have helped safeguard critical infrastructure and ensure operational continuity against increasingly sophisticated cyber threats. We remain committed to evolving our services to meet the sector's changing security needs.

Early Warning System: Proactive monitoring for critical services

A growing number of customers are taking advantage of the AARNet Early Warning System (EWS), which monitors nominated key online services – such as public websites and learning management systems – 24/7. In 2024, the number of customers using the system grew to 27. EWS provides early notification of issues affecting the performance of nominated services, enabling both AARNet operations and customer IT teams to respond quickly to incidents impacting network availability.

DDoS Protection: Rapid defence against DDoS threats

By the end of 2024, 62 customers had adopted the AARNet DDoS Protection managed service, helping them minimise the risk of business disruption caused by Distributed Denial of Service (DDoS) attacks.

Designed specifically for the research and education sector, the system efficiently detects, filters, and mitigates attacks before they reach campus networks. Leveraging AARNet's extensive international and domestic network of border routers, real-time traffic analysis, and automated firewall filtering, attacks are mitigated within seconds – significantly faster than many commercial offerings.

For 100% of incidents this year, legitimate traffic remained unaffected, following its normal route without limitation or disruption.

Security Operations Centre and Managed Detection and Response: Sector-owned solutions

Six years ago, at the request of our shareholder institutions, AARNet began developing the Security Operations Centre (SOC) to strengthen the security posture and capability of the higher education and research sector. Today, the SOC delivers 24/7 monitoring, threat detection, and rapid response to protect customer networks and information from ever-evolving cyber threats. We believe sector-led cyber security is essential for improving security while effectively managing risk and cost.

Throughout 2024, we enhanced our SOC capabilities, including parsing, detections, and data visualisations. We went live with 24/7 Eyes on Glass monitoring for SOC customers in December 2024. This is delivered in partnership with Cybera, the research and education network for the province of Alberta, Canada. The partnership brings additional operational and engineering capacity – meaning more hands on deck and deeper technical expertise – as well as improved response times to threat activity occurring at any hour of the day.

THE YEAR IN REVIEW: SECURITY

We also launched an automated response pilot and further reduced time taken to detect and notify. In December, we began migrating customers to our new User and Entity Behaviour Analytics (UEBA) platform, with all customers set to follow in early 2025. This transition further improves threat detection by assessing anomalies and potential security risks across a broader range of systems, based on standard deviations away from 'normal' user or asset behaviour. UEBA enables rapid detection in near real time. We are also introducing a new reporting platform which will provide near real-time insights and greater visibility into security events. Rollout is planned for mid 2025.

To further expand our cyber security offering, we signed a partnership agreement with CrowdStrike to provide Managed Detection and Response (MDR). Available as an add-on to the SOC service, or as a standalone offering, MDR enables immediate response on customer endpoints, including end user devices, servers, and cloud-based services. The endpoint agent can take direct action to prevent incidents before they occur. Combining SOC and MDR provides an effective security approach, delivering continuous monitoring and rapid incident response to better protect research and education institutions from cyber threats.

In 2025, we will run a proof of concept plus a pilot, refining the MDR service to ensure it meets the sector's needs.

Cyber Advisory Board: Partnering with cyber leaders to co-develop our services.

AARNet hosted the 3rd annual Cyber Advisory Board (CAB) meeting at the University of Wollongong Sydney CBD campus in October 2024.

Cyber leaders (CIOs and CISOs) from our SOC customer cohort, along with technical managers and security

analysts, participated in discussions that provided insights, perspectives, and recommendations at both executive and technical levels.

The feedback from CAB will continue to guide the development of AARNet's cyber security services, ensuring they remain aligned with sector needs. In 2025, we plan to increase engagement with all leaders who need to understand how cyber security may affect their work, by providing additional opportunities for collaboration.

Cyber Security for Schools: Stronger protection for safer learning

In late 2024, AARNet decided to phase out Superloop's CyberEdge from our Cyber Security for Schools portfolio. While we will continue to honour all existing contracts and commitments through to the end of 2027, we are no longer offering renewals or accepting new customers for this service.

Our EWS and DDoS Protection services, also part of the Cyber Security for Schools portfolio, remain unchanged and will continue to operate as usual.

We will continue to work closely with our K-12 customers to identify and deliver new cyber security solutions that better support their evolving needs and strengthen their security posture.

CYBER SECURITY PARTNERSHIPS

Collaboration is essential to improving cyber security resilience across the research and education sector. AARNet partners with government agencies, industry, and international research and education networks to share threat intelligence, develop new capabilities, and contribute to national and global cyber security initiatives.

COLLABORATION IS ESSENTIAL TO IMPROVING CYBER SECURITY RESILIENCE ACROSS THE RESEARCH AND EDUCATION SECTOR. AARNET PARTNERS WITH GOVERNMENT AGENCIES, INDUSTRY, AND INTERNATIONAL RESEARCH AND EDUCATION NETWORKS.

In 2024, we played an active role in several key initiatives that fostered cyber security collaboration across the sector and broader economy. This included working closely with a range of partners at both the national and international level to drive coordinated action and knowledge sharing:

Australian Cyber Security Centre

AARNet continued to participate in the Australian Cyber Security Centre (ACSC) Cyber Threat Intelligence Sharing (CTIS) program, along with a range of other initiatives offered by ACSC through their partnership program. We also took part in workshops representing both the research and education sector and our role as a telecommunications provider.

National Office of Cyber Security

AARNet has established an ongoing relationship with the National Office of Cyber Security (NOCS), a key body within the Department of Home Affairs. AARNet will continue to work closely with NOCS to ensure that the services we deliver to the sector are commensurate with the threats and activity the government is responding to. NOCS also provides guidance, testing and assurance activities, helping us maintain visibility of risks that may impact the resilience of our network.

Cyber Security Cooperative Research Centre

AARNet is an industry participant in the Cyber Security Cooperative Research Centre (CSCRC). The CSCRC connects industry, government, and leading cyber security research organisations, including six universities and CSIRO's Data61, to develop new cyber security solutions.

Securing the GREN Working Group

AARNet is a founding member of the Securing the GREN Working Group, focused on global cyber security collaboration and best practices for NRENs.

Australasian Higher Education Cybersecurity Service

Through a partnership with AAF (Australian Access Federation), AUSCERT (Australian Computer Emergency Response Team), CAUDIT (Council of Australasian University Directors of Information Technology), and REANNZ (Research and Education Advanced Network New Zealand), AARNet continued to support the Australasian Higher Education Cybersecurity Service (AHECS) initiative, which aims to strengthens cyber security resilience in higher education. The 2024 AHECS Summit, held in October, brought together cyber security leaders from academia, industry, and government. AARNet contributed to key discussions shaping the sector's cyber security future.

THE YEAR IN REVIEW: SUSTAINABILITY

At AARNet, we are committed to ensuring our organisation remains financially, socially, and environmentally responsible – delivering long-term value to our research and education communities while minimising our impact on the planet. Through strategic investments, ethical governance, and sustainable infrastructure, we continue to strengthen our resilience and support a more sustainable future.

Maintaining financial sustainability

Maintaining financial sustainability is fundamental to AARNet's ability to support the long-term needs of Australia's research and education sector. Our not-for-profit operating model enables us to reinvest in infrastructure and services that deliver enduring value to our community. We make strategic investments to ensure the robustness and efficiency of our network, and we carefully manage risk in a rapidly changing regulatory and technology landscape.

Our approach to financial stewardship is underpinned by strong governance practices and a commitment to transparency. For more information, refer to the Financial Statements on page 57 of this report.

Understanding regulatory developments

In 2024, Australia introduced a mandatory climate related financial disclosure framework through amendments to Corporations Law. Two new Australian Sustainability Reporting Standards (AASB S1 and S2) were issued to standardise preparation of reports under the new framework. These standards align to International Sustainability Standards Board (ISSB) standards and the Taskforce for Climate-related Financial Disclosures (TCFD). The legislation takes effect from 1 January 2025 with a phased rollout over three years, starting with Australia's largest companies.

Regulators, including ASIC, have also intensified greenwashing enforcement, holding companies accountable for misleading ESG claims.

As a registered charity, AARNet is not currently required to report under the climate reporting regime. However, our Sustainability strategic pillar commits us to being financially, socially, and environmentally responsible. We awaited regulatory certainty before progressing our sustainability strategy, and with that now in place, the process of defining



BEYOND CONNECTIVITY

ENSURING AARNET IS FINANCIALLY, SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE

THE YEAR IN REVIEW: SUSTAINABILITY

BY PRIORITISING ENERGY EFFICIENCY IN NETWORK DESIGN, WE ARE WORKING TO LOWER OUR OVERALL CARBON FOOTPRINT WHILF MAINTAINING **HIGH PERFORMANCE** AND RELIABILITY.



our strategy underway. This is a significant body of work that will take time to complete, ensuring alignment with best practices and our broader commitments.

The regulatory updates in 2024 reflect a broader global push for ESG alignment, increasing transparency and compliance requirements for businesses. Jurisdictions worldwide are moving in a similar direction, with Canada and the UK aligning with ISSB standards, while the European Union has adjusted requirements under the Corporate Sustainability Reporting Directive to ease compliance burdens for smaller organisations. This reflects the evolving nature of climate reporting as regulators balance transparency with implementation challenges.

Minimising environmental impact

As part of our commitment to environmental sustainability and minimising our impact, we are taking steps to improve energy efficiency and reduce our carbon footprint.

A key requirement for AARNet5, the next-generation iteration of our network, which we started deploying in 2024, was to reduce electricity consumption with sustainability in mind. By prioritising energy efficiency in network design, we are working to lower our overall carbon footprint while maintaining high performance and reliability.

In another initiative, we have accelerated the deployment of solar panels onto and adjacent to our Controlled Environment Vaults (CEVs). These installations not only provide backup power to enhance network resilience but also reduce our reliance on grid electricity, which may be sourced from non-renewable energy.

In addition, we have investigated more energy-efficient fibre cable construction to reduce the energy consumed during manufacturing and lower the carbon footprint associated with rolling out new infrastructure across our network.

We have also progressed work on a data centre consolidation initiative to improve energy efficiency and reduce overall power consumption. By optimising our infrastructure and reducing the number of physical data centre locations, we are lowering energy demand and minimising our environmental footprint while ensuring reliable service delivery.

These efforts align with our long-term goal of operating more sustainably while delivering high-quality services to our community.

Championing ethical governance and social responsibility

We are committed to upholding ethical business practices and fostering a socially responsible organisation.

In 2024, we submitted our first Modern Slavery Statement and continue to refine and implement controls to reduce the risk of modern slavery in our operations and supply chain. We recognise the importance of transparency and accountability in ensuring ethical business practices.

We have also progressed work on our Reflect Reconciliation Action Plan (RAP), advancing through the endorsement process, with a planned launch in 2025. This initiative reflects our commitment to reconciliation and fostering meaningful engagement with Aboriginal and Torres Strait Islander communities

As part of our broader commitment to social responsibility, we continue to promote Diversity and Inclusion, ensuring a workplace that values different perspectives and fosters a culture of belonging. More details on our approach to Diversity and Inclusion can be found in the People section of this report. Through these initiatives, we continue to build a responsible, ethical, and inclusive organisation.

THE YEAR IN REVIEW: PEOPLE

OPTIMISING OUR ORGANISATION THROUGH OUR PEOPLE

Headcount and diversity: Building a skilled and inclusive workforce

During 2024 our workforce continued to grow, finishing the year with 247 staff members, comprised of 25% female and 75% male. Throughout 2024, AARNet facilitated 17 internal promotions, with 29.4% being female employees, rewarding our top performers with career growth from both a technical and leadership perspective.

As reported by the Workplace Gender Equality Agency (WGEA 2024), our average gender pay gap increased to 20.8%, compared to the industry average of 14.1% for the same period. While female representation has grown over the past four years, alongside a 40% increase in female promotions, several factors influenced the reported pay gap. These include the introduction of CEO remuneration reporting (impacting the gap by 1.7%), the departure of a female senior leadership team member (3.2% impact), and a decline in female representation in managerial roles (1% drop in proportion of female managers).

In 2025, we will implement new strategies to focus on increasing the diversity of our teams especially in technical specialisations.

Policy Platforms: Strengthening governance and workforce support

AARNet continued to refine its policies to support diversity, inclusion, and employee wellbeing. In 2024, we reinforced our commitment by enhancing leave entitlements, embedding safety and diversity considerations into our processes, and strengthening our approach to psychosocial risk management.

Under the All Employee Cultural Leave entitlement, employees now have the flexibility to substitute the Australia Day gazetted public holiday with another day of personal significance. This entitlement also includes leave for religious observances. Separately, First Nations Cultural and Ceremonial Leave remains a key part of our policy framework, providing up to five days per year in addition to other leave entitlements.

To further embed inclusivity into our workplace practices, all new Position Descriptions now incorporate Safety and Diversity Commitments, reinforcing our dedication to fostering a safe and supportive work environment.

Employee wellbeing remains a priority, with the Employee Assistance Plan (Eudoxia) continuing to offer confidential support and resources to promote mental health and overall wellbeing

By continually evolving our policies, AARNet is committed to providing a workplace that supports employees through every stage of their professional and personal lives.

In 2024, AARNet experienced continued growth, underpinned by strong collaboration across the organisation. Our people consistently demonstrated our 'one team' value – working across departments to tackle challenges and develop creative, effective solutions. We supported the career progression of many employees through promotions and development initiatives, while continuing to invest in building the skills and capabilities of our teams.



BEYOND CONNECTIVITY





Left: AARNet team members at the 2024 eResearch Australasia Conference.

HR Compliance: Upholding best practices and workplace standards

In 2024, regulatory changes and evolving workplace expectations continued to shape the industrial landscape in Australia. Compliance remained a key priority for the human resources team as we navigated these developments and upheld best practices in workforce management.

Our commitment to HR compliance remained strong, with key initiatives focused on enhancing workplace safety and risk management. To strengthen our proactive approach to risk reduction – particularly in addressing psychosocial hazards – we introduced a new Health, Safety and Environmental Manager role. We also updated our risk register to mitigate identified psychosocial risks, reinforcing a Health and Safety approach to risk management. In parallel, the implementation of a Training Needs Analysis and Risk Matrix is helping to identify and address workplace gaps more effectively.

THE YEAR IN REVIEW: PEOPLE

Learning and Development: Investing in growth and capability

AARNet continued to run compliance-related learning activities throughout 2024, while also facilitating additional training opportunities tailored to the needs of our teams. Training topics covered a wide range of essential areas, including communication and influencing skills, AARNet health and safety practices, driver safety, first aid, security compliance, role-specific technical training, privacy compliance, whistleblower and modern slavery policies, diversity and equal employment opportunity, overseas travel, and cyber security.

In 2025, AARNet will expand its commitment to learning and development with a focus on upskilling students through graduate, intern, and work experience programs. We will also enhance our diversity and inclusion efforts with new training modules, face-to-face initiatives, and the establishment of a Diversity & Inclusion Committee. A strategically planned Wellbeing and Engagement Calendar will further support an inclusive workplace, fostering engagement through key events such as International Women's Day, Financial Wellbeing sessions, Cultural Awareness training, and NAIDOC celebrations.

Together, these initiatives reflect AARNet's commitment to nurturing a positive and inclusive workplace culture. By investing in people, creating opportunities for growth, and celebrating diversity, we're building a more connected, engaged, and future-ready organisation.

THE YEAR IN REVIEW

GOVERNANCE FOR A SUSTAINABLE FUTURE

Strong governance underpins AARNet's ability to deliver high-quality, sustainable services to Australia's research and education sector. As a not-for-profit organisation and a licensed Australian telecommunications carrier, AARNet operates with a clear focus on accountability, transparency, and strategic oversight.

AARNet Pty Ltd is owned by 38 Australian universities and CSIRO, ensuring governance decisions align with the interests of the research and education community. The Board of Directors is responsible for AARNet's strategic direction, effective governance, and performance oversight, while the AARNet Advisory Committee provides valuable input on business matters, representing shareholder interests.

Since its origins in 1989 as a pioneer of the internet in Australia, AARNet has played a pivotal role in advancing digital infrastructure, fostering national and international collaboration, and advocating for policies that enhance telecommunications access for research, education, and the broader Australian community.

OUR SHAREHOLDERS

Australian National University Commonwealth Scientific and Industrial Research Organisation University of Canberra Charles Sturt University Macquarie University Southern Cross University The Australian Catholic University University of New England University of New South Wales University of Newcastle University of Sydney University of Technology, Sydney Western Sydney University University of Wollongong Charles Darwin University Bond University Central Queensland University Griffith University James Cook University Queensland University of Technology University of Queensland University of Southern Queensland University of the Sunshine Coast Flinders University of South Australia University of Adelaide University of South Australia University of Tasmania Deakin University La Trobe University Monash University **RMIT University** Swinburne University of Technology The University of Melbourne Federation University Australia Victoria University Curtin University Edith Cowan University Murdoch University The University of Western Australia

AARNET BOARD OF DIRECTORS (as at 31 March 2025)

Emeritus Professor David (Ian) O'Connor AC Chair of the Board and Chair of the Nomination and Remuneration Committee

Dr Christine Burns

Professor Alexander Cameron

Emeritus Professor Elizabeth Carson Member of the Audit, Finance and Risk Committee

Mr Robert Fitzpatrick Member of the Audit, Finance and Risk Committee

Mr Bruce Hambrett Deputy Chair of the Board, Chair of the Audit, Finance and Risk Committee, Member of the Nomination and Remuneration Committee

Mr Chris Hancock AM Chief Executive Officer

Professor Elanor Huntington

Mr Anthony Molina

Professor Andrew Parfitt (appointed 21 June 2024)

Mr Scott Sorley

Professor Deborah Terry AO Member of the Nomination and Remuneration Committee

Professor Bevil (Barney) Glover AO (was a director from the commencement of the financial year until his retirement on 30 May 2024).

CORPORATE GOVERNANCE

AARNET ADVISORY COMMITTEE

(as at 31 March 2025)

Chair: Mr Scott Sorley – QLD, University of Southern Queensland

Mr Chris Hancock AM – AARNet CEO

Mr Matthew Barry – VIC, RMIT University (appointed 3 September 2024)

Mr Mark Griffith – NSW, University of New South Wales

Luke Havelberg – SA, Flinders University

Kathleen Mackay – TAS, University of Tasmania

Mr Tom Minchin – CSIRO

Mr Andrew Tully – NT, Charles Darwin University (appointed 26 June 2024)

Mr Malcolm Caldwell – NT, Charles Darwin University (retired 20 March 2024; and

Mr Craig Warren – VIC, Deakin University (retired 20 March 2024).

ACKNOWLEDGING A LEGACY

CHRIS HANCOCK AM TO RETIRE IN 2025 AFTER 21 YEARS AS CEO

As AARNet looks ahead to a leadership transition in 2025, we take this opportunity to acknowledge the contribution of CEO Chris Hancock AM, who will step down in July after more than two decades at the helm.

Since joining AARNet in 2004, Chris has brought a rare blend of commercial acumen and collaborative spirit to the role. He quickly set about transforming the organisation from a niche connectivity provider for universities and CSIRO into a national provider of vital infrastructure and services for research and education more broadly, trusted across the sector and valued within the global research and education network community.

Under his leadership, AARNet expanded its fibre-optic footprint to span the country - connecting hundreds of campuses and research facilities, K-12 schools, hospitals, vocational training providers, and cultural organisations.

He also helped shape the development of AARNet into a world-class national research and education network - from AARNet 2 in 2004 through to AARNet 5, the delivery of which is currently underway. This included forging key partnerships to extend AARNet's reach nationally and internationally - notably, partnering with Nextgen Networks to extend the national network, and connecting Australian researchers and educators to the world via major international subsea cable systems. Through these efforts, AARNet secured capacity on Southern Cross Cable Network's SXTransPORT and, more recently, SX NEXT, and invested in the INDIGO and Japan-Guam-Australia (JGA) systems to ensure resilient, high-capacity international connectivity for Australia's research and education sector.

Chris championed long-term investment and partnerships approaches grounded in the values that continue to define the company's culture and operations.

Beyond network infrastructure, and in response to the ever-changing needs of the sector, he oversaw the launch and ongoing development of a wide range of services in



Clockwise from above: Chris with Deane Terrell and Professor Emeritus Gerrard Sutton AO, and present Chair Professor Emeritus lan O'Connor AC.







BEYOND CONNECTIVITY

THE YEAR IN REVIEW



AARNet past Board Chairs



Clockwise from top left: Celebrating milestones with The Hon Julie Bishop, then Minister for Education. Science and Training, at the launch of AARNet3; with Zoom CEO Eric Yuan marking the 10-year anniversary of the AARNet -Zoom partnership; and with Quentin Bryce, former Governor-General, and former AARNet Board Chair Deane Terrell at the launch of our book 'AARNet - 20 Years of the Internet in Australia' at Admiralty House.

CHRIS' LEADERSHIP HAS SHAPED NOT ONLY THE ORGANISATION BUT ALSO AARNET'S PLACE WITHIN THE GLOBAL RESEARCH AND EDUCATION NETWORK COMMUNITY.





data sharing, collaboration, and cyber security. AARNet deployed platforms such as CloudStor, FileSender and Globus to support the movement of large research data sets; and began hosting national digital research platforms such as Galaxy Australia and the ARDC Nectar node.

Chris also introduced advanced video communication technologies as they emerged – from OptiPortal and Telepresence to Zoom, with AARNet becoming Zoom's first customer in Australia. He supported the development and rollout of eduroam, the global roaming Wi-Fi access service for research and education. As the sector's needs evolved, he drove the development and delivery of cyber security services, including establishing the very first research and education sector-owned Security Operations Centre (SOC), which has since grown into one the largest SOCs by data volume in the Southern Hemisphere.

These are just some of the many services delivered under his leadership.

Chris's impact extended to the international stage. He built strong relationships with national research and education networks around the world, driving collaborations to



Above: Inspiring thought leadership – our CEO speaking at staff and sector events to spark ideas and collaboration.



strategically strengthen the resilience of the global research and education network ecosystem, and advancing Australia's role in international science, education, and cultural exchange.

Chris also forged new relationships between Australia and the United States through his tireless work as a Director of the Australian American Leadership Dialogue and more than a decade of leadership of the West Coast Leadership Dialogue, which provided Australian universities, corporations and government with access to global technology developments in Silicon Valley.

Colleagues describe him as strategic, energetic, and people focused. He brought warmth and humour to every challenge and inspired teams to think boldly, act with integrity, and stay mission aligned.

Chris leaves a lasting legacy – a more connected, and more collaborative research and education sector. His leadership has shaped not only the organisation but also AARNet's place within the global research and education network community. As AARNet prepares for the next chapter, his vision and impact will continue to resonate for years to come.

THE YEAR IN REVIEW



Above: From a small team to a thriving workforce – growing to over 200 staff. Right: Enjoying an Aboriginal cultural performance by Walangari Karntawarra and Diramu Aboriginal Dance and Didgeridoo for the Global CEO Forum meeting in Sydney. Photo: Good Thanks Media.





AARNet Pty Ltd Directors' Report and Consolidated Financial Report 2024

for the year ended 31 December 2024 ABN 54 084 540 518



Directo	ors' report	2
Audito	r's independence declaration	7
FINAN	CIAL STATEMENTS	
Conso	lidated Profit And Loss Statement	8
Conso	lidated Balance Sheet	9
Conso	lidated Statement Of Changes In Equity	10
Conso	lidated Statement Of Cash Flows	10
NOTES	S TO THE FINANCIAL STATEMENTS	
1	Basis of preparation	11
2	Other significant accounting policies	12
3	Critical accounting estimates and judgements	12
4	Service revenue	13
5	Other income	16
6	Expenses	16
7	Net finance income/(expense)	16
8	Net other gains/(losses)	17
9	Income tax expense	17
10	Reconciliation of net surplus to net cash inflow from operating activities	19
11	Cash and cash equivalents	19
12	Property, plant and equipment	20
13	Intangible assets	22
14	Leases	23
15	Receivables and other assets	24
16	Accrued income	25

17	Financial assets and investments
18	Financial assets at amortised cost
19	Financial assets at fair value through profit and loss
20	Financial assets at fair value through other compreh
21	Trade and other payables
22	Provisions
23	Contributed equity
24	Key management personnel disclosures
25	Commitments and contingencies
26	Remuneration of auditors
27	Group structure
28	Parent entity disclosures

Directors' declaration

Independent auditor's report

	25
	27
	27
nensive income	27
	28
	28
	29
	29
	29
	30
	30
	31
	32
	33

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the "Group), consisting of AARNet Pty Limited ("AARNet" referred to hereafter as the "Company), and the entities it controlled at the end of, or during, the year ended 31 December 2024.

The following persons were Directors of AARNet during the whole of the financial year and up to the date of this report:

Emeritus Professor David (Ian) O'Connor AC

Chair of the Board. Chair of the Nomination and Remuneration Committee

Dr Christine Burns

Professor Alexander (Alec) Cameron

Emeritus Professor Elizabeth Carson Member of the Audit, Finance and Risk Committee

Mr Robert Fitzpatrick

Member of the Audit, Finance and Risk Committee

Mr Bruce Hambrett

Deputy Chair of the Board, Chair of the Audit, Finance and Risk Committee and a member of the Nomination and Remuneration Committee

Mr Christopher Hancock AM

Chief Executive Officer

Professor Elanor Huntington

Mr Anthony Molina

Mr Scott Sorley

Professor Deborah Terry AC Member of the Nomination and Remuneration Committee

Professor Andrew Parfitt was appointed a Director on 21 June 2024 and remains a director at the date of this report.

Professor Bevil (Barney) Glover AO was a director from the commencement of the financial year until his retirement on 30 May 2024.

PRINCIPAL ACTIVITIES

AARNet is a proprietary company in which 38 Australian universities and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) have an equal shareholding.

AARNet is also a not-for-profit company registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC). Charities exist to pursue a charitable purpose. AARNet's purpose can be summarised as advancing education and research through supporting the education and research activities of its shareholders ("Members") and others, by providing telecommunications, associated services and other supporting services.

AARNet's principal activity is therefore the provision of internet and advanced telecommunication and network services to its Members and to other relevant organisations. Services are provided in accordance with the AARNet Access Policy in order that Members and other customers may:

- a) use AARNet's internet and other telecommunications facilities and services to provide educational programs and conduct research activities in an efficient and cost effective manner, and
- b) collaborate with other parties (nationally and internationally) in furtherance of research and education objectives.

OTHER ACTIVITIES

In addition, AARNet:

- a) facilitates the construction of optical fibre infrastructure to extend the AARNet backbone and to connect campuses and other locations to facilitate services for Members and customers:
- b) provides applications and services which operate across the AARNet network supporting education and research activities;
- c) secures those applications and services operating across the AARNet network through a Security Operations Centre and additional cyber security-related applications and services;
- d) monitors some Members' equipment and infrastructure on campuses and other premises to identify and alert Members to potential cyber attacks or potential cyber threats allowing the Member to take early action to prevent, close down or mitigate cyber risks;

- e) participates in the design and deployment of advanced network infrastructure in partnership with network organisations in Australia and internationally, to develop national and global research and education networks; and
- makes representations to all levels of government on policy, legislation and programs to improve the telecommunications facilities and services available to its Members and other customers.

DIVIDENDS

AARNet's constitution prohibits the payment of dividends or other distributions to its shareholders. Accordingly, no dividends have been paid, declared or recommended either during the financial year or in the period since that year ended (2023: nil).

REVIEW OF OPERATIONS

Network Performance

Throughout 2024 AARNet's network continued to perform at consistently high levels while carrying increasing volumes of traffic for Members and other customers. Average network availability for 2024 was 99.99%, which was the same as the level achieved in 2023.

This exceptionally high level of reliability is achieved over the vast geographic footprint of our infrastructure through our strategic long-term planning and carefully designed network redundancy. Diversity and triversity in network design and equipment enables our operations team to deploy alternate paths and minimise the impact of outages on AARNet customers.

Member telecommunications traffic in 2024 grew 22% higher than 2023 and Non-Member traffic growth was 36%.

Network Expansion

During 2024 AARNet continued to invest to upgrade the capacity of the AARNet network and to expand the geographic reach of the network's fibre footprint.

Overall spending on communication assets (including network infrastructure and equipment) was \$55,819,194 during the year (2023: \$43,676,435) (refer to note 12 of the financial statements).

This investment reflected the continued investment in AARNet's domestic fibre footprint.

Subscriptions and Telecommunications Revenues

AARNet's Members pay subscription and related fees for connection to the network and carriage of data across the network (to research and education facilities in Australia, international research and education networks, and the general internet). These charges form the largest single component of AARNet's revenues.

During 2024, Members' subscription and related charges were slightly higher than 2023 revenues, but below the rate of inflation, and despite the growth in Members' traffic discussed above.

	2024 \$	2023 \$	Increase
Members: Subcription, Traffic and Access	43,427,951	42,545,569	2.1%
Non-Members: Subscription, Traffic and Access	13,695,740	13,705,136	(0.1%)
Other Services	37,860,922	34,309,757	10.4%
Telecommunications Revenue	94,984,613	90,560,462	4.9%

Other Services

In the category "Other Services" shown above, AARNet offers a range of other services to Members and other customers. Broadly, these services fall into three categories:

- I. transmission services providing point-to-point capacity: these enable Members and customers to link together geographically diverse campuses, research centres and remote research instruments; or to provide dedicated high-speed capacity between user facilities and third party data centres; and
- II. above the network services which directly support the delivery of education and research outcomes; and
- III. Cyber security-related applications and services; predominately the AARNet Security Operations Centre.

Revenue from these other services increased by 10.4% during 2024, driven by growth in both transmission services and Cyber security-related services.

Overall, subscriptions and service revenues increased by 4.9% from 2023, as shown in the table above.

Infrastructure Revenues

Infrastructure establishment fees (income from the provision of new fibre infrastructure) grew by 76.0% in 2024 reflecting the value of both design fees and infrastructure projects completed and brought into service.

	2024 \$	2023 \$	Increase
Infrastructure Establishment Fees	18,381,919	14,732,354	24.8%
Infrastructure Construction Revenue	10,347,443	1,587,378	551.9%
	28,729,362	16,319,732	76.0%

Revenues from infrastructure construction and allied activities (such as services to relocate infrastructure) were fivefold higher in 2024 than 2023. This income stream is very reactive to the impact of activity by utility providers, other telecommunications carriers and civil infrastructure projects (such as transport projects) and income can vary significantly from year to year. In 2024, the Company made significant progress on a large-scale civil infrastructure build recognising revenue for that proportion of the project that completed in the period.

Other Income

In addition to revenues from the provision of telecommunications services and infrastructure, AARNet also gains income from interest and dividends on invested funds. In 2024, this investment income totalled \$7.729.122 (2023: \$6.184.253) (see note 5 to the financial statements). The higher result reflects the increase in the amount of funds invested and continued strong returns.

Telecommunication Supply Expenses

Telecommunication supply expenses totalled \$38,137,403 in 2024 compared with \$30,703,291 in the 2023 financial result.

Telecommunication supply costs have increased year-on-year in line with increases in traffic and capacity on the AARNet network, along with costs to support revenue growth in providing cyber security-related applications and services.

Infrastructure Construction Expenses

Infrastructure construction expenses totalled \$7,740,889 in 2024 compared with \$2,573,615 in the 2023 financial result.

Infrastructure construction costs have increased year-on-year representing the construction expenditure in 2024 for progress on a large-scale infrastructure build, matching the increase in infrastructure construction revenue referred to earlier.

Employee and Administration Costs

To support the growth of our network and services, AARNet continues to add staff to its infrastructure development and cyber security teams.

Depreciation and Amortisation Charges

Depreciation and Amortisation charges, inclusive of depreciation on equipment, depreciation on infrastructure and amortisation of Indefeasible Rights to Use (IRUs) totalled \$22,512,510 in 2024 compared to \$23,216,141 in 2023.

Net Finance Expenses

These costs of \$5,220,332 are higher than 2023 (\$3,856,346) mainly due to higher "Significant Financing" expenditure relating to infrastructure projects. Refer to Note 7 of our financial statements for more detail.

ACCUMULATED SURPLUS AND RESERVES

In 2024, AARNet recorded a net surplus of \$5,584,768 (2023: net surplus of \$6,316,411).

Surpluses earned in prior years, aided by conservative financial management, have enabled AARNet to manage through the current economic conditions with a significant holding of cash and investments (net \$163,201,804 at the end of 2024.)

Surpluses earned by AARNet cannot (by virtue of the terms of AARNet's constitution) be distributed to the shareholders.

In the Board's view, and in line with the company's long range plans, it is prudent for AARNet to generate a surplus in order that investments in network capability and services may be funded without calling on Members to contribute further equity into the company.

AARNet expects to use its accumulated reserves to:

- a) defray part of the significant financial commitments in respect of expenditure and capital commitments which, at year end, were \$66,914,636, refer to note 25(a) to the financial statements;
- b) meet obligations to settle lease liabilities which totalled \$42,960,215 at year end as shown in note 14(i) to the financial statements:
- c) finance investments in technology to enhance the delivery of services to Members and other customers:
- d) supplement Members' subscriptions and other income in future vears: and
- e) fund other activities to support the Company's charitable purpose.

NET ASSETS

Net assets at 31 December 2024 were \$229,488,158 (2023: \$223,903,390). The increase represents the surplus and other comprehensive income for 2024.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During 2024 AARNet entered into an incorporated joint venture arrangement (Research and Education Industry Network Pty Ltd) with an unrelated third party for the construction and operation of optical fibre infrastructure and related equipment. As of 31 December 2024, the joint venture arrangement was legally registered but not yet operational.

Except for the matter above and discussed under the heading "Review of Operations" there were no significant changes in the Company's state of affairs during the financial year ended 31 December 2024.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Except for matters discussed under the heading "Review of Operations" no other matter or circumstance has arisen since 31 December 2024 that has significantly affected or may significantly affect:

- a) AARNet's operations in future years;
- b) The results of those operations in future financial years; or
- c) AARNet's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED **RESULTS OF OPERATIONS**

The CEO. Mr Chris Hancock AM, has announced his retirement effective 1 July 2025. The Board is currently engaged in an executive search for a replacement CEO and anticipates making an appointment for a new CEO to assume responsibility on the day of Mr Hancock's retirement.

AARNet expects network traffic will continue to grow during 2025. In addition, investment in AARNet's domestic fibre network will continue during 2025. Some of the investment in AARNet's domestic fibre network will be directed into the joint venture for the purpose of infrastructure construction by the joint venture.

AARNet also expects to continue receiving contributions from Members and others toward the cost of constructing network infrastructure. Consequently, during 2025 AARNet expects it will need to recognise further 'Significant Financing' non-cash costs as required by AASB15.

AARNet also expects to generate increasing revenues and incur additional costs in relation to the provision of further cyber security services to Members and other customers.

ENVIRONMENTAL REGULATION

AARNet's operations are not adversely affected by any significant environmental regulation. AARNet believes its greenhouse gas emissions are substantially below the thresholds that are subject to the reporting requirements of either the *Energy Efficiency* Operations Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

INSURANCE FOR OFFICERS

During the financial year, AARNet paid a premium of \$72,918 (2023: \$80,008) in respect of liability insurance for the Company's Directors and Officers. The liabilities insured against are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of AARNet, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Directors or Officers or the improper use by the Directors or Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to AARNet. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

No known liability has arisen under these indemnities to the date of this report.

AGREEMENT TO INDEMNIFY OFFICERS

Under the terms of its Constitution, AARNet provides indemnity to persons who are, or have been, an officer or auditor of AARNet, but only to the extent permitted by law and to the extent that the officer or auditor is not indemnified by Directors' and Officers' liability insurance maintained by AARNet. The indemnity is against liability incurred by that person as an officer or auditor of AARNet to another person and for costs and expenses incurred by the officer or auditor in defending such proceedings.

Separately, AARNet and each director of AARNet have entered into a Deed of Indemnity under which AARNet indemnifies each director against any liability:

- a) to a third party (that is, other than to AARNet) unless the liability arises out of conduct involving a lack of good faith; and
- b) for legal costs incurred in successfully defending civil or criminal proceedings or in connection with proceedings in which relief is granted under the Corporations Act 2001.

No known liability has arisen under these indemnities as at the date of this report.

AUDITOR

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included on page 7 of this financial report.

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors.

Uers.

Mr Chris Hancock AM

Director

Emeritus Professor DI O'Connor AC Director

Sydney

24th March 2025

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of AARNet Pty Ltd for the year ended 31 December 2024. I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AARNet Pty Ltd and the entities it controlled during the period.

Broth J Nahas

Brenton Newlands Partner **PricewaterhouseCoopers**

PricewaterhouseCoopers, ABN 52 780 433 757 One International Towers Sydney, Watermans Quay, BARANGAROO, GPO BOX 2650, SYDNEY NSW 2001 T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150, PO Box 1155 PARRAMATTA NSW 2124 T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Sydney 24 March 2025

CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December 2024

CONSOLIDATED BALANCE SHEET

	Notes	2024 \$	2023 \$
Revenue	4	123,713,975	106,880,194
Other income	5	7,729,122	6,184,253
Total income		131,443,097	113,064,447
Telecommunications supply expenses		(38,137,403)	(30,703,291)
Infrastructure construction expenses		(7,740,889)	(2,573,615)
Employee benefits expense		(40,312,359)	(34,962,760)
Depreciation and amortisation	6	(22,512,510)	(23,216,142)
Other administration expenses		(12,936,900)	(12,656,441)
Net finance income/ (expense)	7	(5,220,332)	(3,856,346)
Net other gains/ (losses)	8	1,018,137	1,205,014
Total expenses		(125,842,256)	(106,763,581)
Net surplus before income tax		5,600,841	6,300,866
Income tax expense	9	(32,458)	-
Net surplus after income tax		5,568,383	6,300,866
Other comprehensive income			
Movement in the fair value of financial assets		16,385	15,545
Total comprehensive surplus for the year		5,584,768	6,316,411

The above consolidated Profit and Loss Statement should be read in conjunction with the accompanying notes.

Receival Financia Financia Accruec Derivativ Total cu Non-cu Financia	d cash equivalents bles and other assets I assets at amortised cost I assets at fair value through profit or loss I income ve financial instruments rrent assets rrent assets
Receival Financia Financia Accruec Derivativ Total cu Non-cu Financia	bles and other assets I assets at amortised cost I assets at fair value through profit or loss I income ve financial instruments rrent assets rrent assets
Financia Financia Accruec Derivativ Total cu Non-cu Financia	I assets at amortised cost I assets at fair value through profit or loss I income ve financial instruments rrent assets rrent assets
Financia Accruec Derivativ Total cu Non-cu Financia	I assets at fair value through profit or loss I income ve financial instruments rrent assets rrent assets
Accruec Derivativ Total cu Non-cu Financia	l income ve financial instruments rrent assets rrent assets
Derivativ Total cu Non-cu Financia	ve financial instruments rrent assets rrent assets
Total cu Non-cu Financia	rrent assets
Non-cu Financia	rrent assets
Financia	
	n a ser a
Financia	l assets at amortised cost
	l assets at fair value through profit and loss
Financia	l assets at fair value through other comprehensive income
Receiva	bles and other assets
Property	, plant and equipment
ntangib	le assets
Deferre	d tax assets
Total no	on-current assets
Total as	sets
LIABILI	TIES
Current	liabilities
Trade ar	nd other payables
ncome	in advance
Provisio	ns
Lease lia	abilities
Other lia	abilities
Total cu	rrent liabilities
Non-cu	rrent liabilities
ncome	in advance
Provisio	ns
Lease lia	bilities
Total no	on-current liabilities
Total lia	bilities
Net asse	ets
EQUITY	
Contrib	uted equity
Reserve	(accumulated unrealised gain/ (loss) on investments)

Total equity

31 December 2023 \$	31 December 2024 \$	Notes
24,723,617	66,604,170	11
25,689,696	28,488,223	15
56,000,000	39,523,955	18
7,010,957	3,434,160	19
1,953,094	4,781,928	16
35,403	-	
115,412,767	142,832,436	
16 970 004	9 719 406	18
16,870,094	8,318,496	18
31,731,242	37,730,348 7,590,675	20
4,022,340 38,799,513	33,736,461	20 15
298,682,641	333,356,150	13
283,065	208,065	13
	24,768	9
390,388,895	420,964,963	
505,801,662	563,797,399	
10,860,399	6,161,819	21
27,644,839	62,873,879	4
9,610,391	11,238,672	22
3,286,521	3,147,928	14
366,171	489,419	
51,768,321	83,911,717	
184,887,370	209,396,607	4
1,085,748	1,188,630	22
44,156,833	39,812,287	14
230,129,951	250,397,524	
281,898,272	334,309,241	
223,903,390	229,488,158	
39,039	39,039	23
4,190	20,575	
223,860,161	229,428,544	
223,903,390	229,488,158	

As at 31 December 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
Total equity at the beginning of the financial year	223,903,390	217,586,979
Net surplus for the year	5,568,383	6,300,866
Other comprehensive income		
Changes in financial assets at fair value	16,385	15,545
Total equity at the end of the financial year	229,488,158	223,903,390

The above consolidated Statement of Changes of Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities			
Receipts from members and customers (inclusive of goods and services tax)		185,228,460	210,280,310
Payments to suppliers and employees (inclusive of goods and services tax)		(109,733,262)	(98,844,043)
Interest received		7,118,753	2,964,998
Interest paid on leases		(3,232,576)	(3,059,800)
Income tax paid		(72,391)	-
Net cash inflow from operating activities	10	79,308,984	111,341,465
Cash flows from investing activities			
Payments for property, plant and equipment		(54,229,526)	(44,291,083)
Payments for financial assets at fair value through profit and loss		(2,251,659)	(3,997,496)
Payments for financial instruments at amortised cost		(10,605,735)	(56,585,245)
Proceeds from sale of financial assets at fair value through profit and loss		1,031,009	3,922,058
Proceeds from financial instruments at amortised cost		32,000,000	959,000
Dividends received		672,216	711,595
Proceeds from sale of property, plant and equipment		1,500	-
Net cash outflow from investing activities		(33,382,195)	(99,281,171)
Cash flows from financing activities			
Principal elements of lease payments		(4,046,236)	(3,987,506)
Net cash (outflow) from financing activities		(4,046,236)	(3,987,506)
Net increase/ in cash and cash equivalents		41,880,553	8,072,788
Cash and cash equivalents at the beginning of the financial year		24,723,617	16,650,829
Cash and cash equivalents at end of year	11	66,604,170	24,723,617

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial statements cover AARNet Pty Ltd as a consolidated entity consisting of AARNet Pty Ltd and the entities it controlled at the end of, or during, the year (collectively referred to as 'the Group' or 'AARNet'). The financial statements are presented in Australian dollars, which is AARNet Pty Ltd's functional and presentation currency.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. AARNet Pty Ltd is domiciled in Australia and is a not-for-profit entity for the purpose of preparing the financial statements. The registered address of AARNet Pty Ltd is Tower A, Level 7, 799 Pacific Highway, Chatswood, NSW, 2067.

The consolidated financial statements of AARNet Pty Ltd comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 March 2025. The Directors have the power to amend and reissue the financial statements.

Going concern

The directors are of the opinion that the Group will be able to pay its debts as and when they become due and payable for at least the next 12 months from the date of the annual report and have therefore prepared the financial report on a going concern basis.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following: financial assets at fair value through Profit and Loss Statement, financial assets at fair value through other Comprehensive Income.

Principles of consolidation

Our financial report includes the consolidated assets and liabilities of AARNet Pty Ltd and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

An entity is considered to be a controlled entity where we are exposed, or have rights, to variable returns from our involvement

with the entity and have the ability to affect those returns through our power to direct the activities of the entity.

We consolidate the results of our controlled entities from the date on which we gain control until the date we cease control.

The effects of intra-group transactions and balances are eliminated from our consolidated financial statements.

The financial statements of the Group's controlled entities are prepared using consistent accounting policies as the parent entity.

Income tax

The parent entity is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997 (amended). The other entities in the group are liable to income tax.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables (except accrued expenses) are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Balance Sheet.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Profit and Loss Statement.
2. OTHER SIGNIFICANT ACCOUNTING POLICIES

Relevant accounting policies are included in the respective notes to the consolidated financial statements. Changes in the accounting policies and impacts from the accounting standards to be applied in the future reporting periods, as well other accounting policies not disclosed elsewhere in the financial report are detailed below.

New, revised or amending Accounting Standards and Interpretations adopted

AARNet has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ('AASB') that are mandatory for the current reporting period. There were no significant impacts noted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by AARNet for the annual reporting period ended 31 December 2024. These standards and amendments are not anticipated to have a material impact in the current or future reporting periods, or foreseeable future transactions.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Often, this involves estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful life of intangible assets

The directors have assumed in the ordinary course of business that AARNet's customers will continue to use AARNet's services into the foreseeable future. The useful economic lives assigned for intangible assets are based on the contractual terms agreed for each Indefeasible Right to Use.

(ii) Useful life of assets

AARNet is the owner of a significant amount of assets and infrastructure. Estimates are made as to the useful life of these assets which can affect both the amount of depreciation and amortisation expense during the year and the amount of revenue recognised in relation to establishment fees.

(iii) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), AARNet is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, AARNet is typically reasonably certain to extend (or not terminate).
- Otherwise, AARNet considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or AARNet becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Significant financing

AARNet has recognised that receiving contributions from Members and others toward the construction cost of AARNet owned network infrastructure and provision of services in the future includes significant financing expense element. There are judgements in determining the relevant interest rate.

Similarly, AARNet has recognised that providing prepayments to suppliers ahead of services being provided in the future includes a significant financing element. There are judgements in determining the relevant interest rate.

(v) Identification of performance obligations in customer contracts and allocation of consideration

The Group has entered into contracts which contain lease and non-lease components. The non-lease components require the company to deliver multiple performance obligations. Management has estimated the standalone selling price of each component with reference to observable prices for similar arrangements. The standalone selling price is used to allocate contractual consideration to each of the components.

(vi) Estimation of duration in customer contracts

The Group has some contracts that do not have a fixed duration, but rather these contracts automatically renew unless one party notifies the other. In the case of these contracts, the estimated duration of the contract is aligned to the useful life of the underlying asset required to complete the contract performance obligations. This estimated duration is then referenced in determining significant financing and revenue recognition.

(vii) Identification of whether a contract contains a lease

The Group has entered into buy side and sell side capacity contracts for telecommunications bandwidth. The company makes an assessment as to whether the arrangement contains a lease including analysis as to whether an identified specific asset is subject to the contractual arrangement.

(viii) Impairment assessment including whether there are impairment indicators

The Group considers whether there are indicators of impairment for property, plant and equipment and intangible assets with reference to the fair value of each cash generating unit relative to its carrying value. Relevant factors considered by the company include movement of key cost inputs over time.

(ix) Classification of financial instruments

The Group has applied judgement in determining the classification of financial assets including assessment of the business model for each of its portfolios of financial assets and consideration as to whether contractual cash flows represent solely payments of principal and interest.

(x) Classification of joint arrangements

The agreement in relation to the Indigo Central consortia is classified as a joint operation and the company is one of the joint operators because there is only one combination of the voting combinations that can approve relevant activities and that combination requires the company's voting rights. Indigo West and JGA South are not considered joint arrangements because either a third party has control or there are different combinations of operators that can approve relevant activities.

4. SERVICE REVENUE

	31 December 2024 \$	31 December 2023 \$
Telecommunications		
Subscription, Traffic and Access - Members	43,427,951	42,545,569
Subscription, Traffic and Access - Non-Members	13,695,740	13,705,136
Other Services	37,860,922	34,309,757
	94,984,613	90,560,462
Infrastructure & service agreements		
Infrastructure Establishment Fees	18,381,919	14,732,354
Infrastructure Project Construction	10,347,443	1,587,378
	123,713,975	106,880,194

(a) Disaggregation of revenue from contracts with customers

AARNet derives service revenue from the transfer of goods and services over time and at a point in time as follows:

Telco- Members	Telco- Non-Members	Telco- Other Services	Infra Establishment Fees	Infra Project Construction	Total
-	-	-	-	1,790,773	1,790,773
43,427,951	13,695,740	37,860,922	18,381,919	8,556,670	121,923,202
43,427,951	13,695,740	37,860,922	18,381,919	10,347,443	123,713,975
Telco-	Telco-	Telco-	Infra Establishment	Infra Project	
Members	Non-Members	Other Services	Fees	Construction	Total
-	-	-	3,190,901	1,587,377	4,778,278
42,545,569	13,705,136	34,309,757	11,541,454	-	102,101,916
42,545,569	13,705,136	34,309,757	14,732,355	1,587,377	106,880,194
	Members - - 43,427,951 - 43,427,951 - Telco- Members - - - 42,545,569 -	Members Non-Members - - 43,427,951 13,695,740 43,427,951 13,695,740 Telco- Telco- Members 13,695,740 43,427,951 13,695,740 43,427,951 13,695,740	Members Non-Members Other Services - - - 43,427,951 13,695,740 37,860,922 43,427,951 13,695,740 37,860,922 43,427,951 13,695,740 37,860,922 Telco- Telco- Telco- Members Non-Members Other Services - - - 42,545,569 13,705,136 34,309,757	Members Non-Members Other Services Fees -	Members Non-Members Other Services Fees Construction - - - - 1,790,773 43,427,951 13,695,740 37,860,922 18,381,919 8,556,670 43,427,951 13,695,740 37,860,922 18,381,919 10,347,443 Telco- Telco- Telco- Infra Establishment Infra Project Members Non-Members Other Services Fees Construction - - - 3,190,901 1,587,377 42,545,569 13,705,136 34,309,757 11,541,454 -

(b) Assets and liabilities related to contracts with customers

AARNet has recognised the following assets and liabilities related to contracts with customers:

31 December 2024 \$	31 December 2023 \$
21,056,940	19,136,148
803,242	1,266,592
11,431,290	5,683,663
29,582,407	1,558,436
62,873,879	27,644,839
31 December 2024	31 December 2023
\$	\$
208,828,360	184,460,915
568,247	426,455
209,396,607	184,887,370
	\$ 21,056,940 803,242 11,431,290 29,582,407 62,873,879 31 December 2024 \$ 208,828,360 568,247

(i) Significant changes in contract assets and liabilities

Contract liabilities for Infrastructure and service agreements have increased due to an increase in contributions for new projects that have not been completed as at 31 December 2024, despite no change in the timing of satisfied performance obligations; the nature of the goods supplied; nor the terms of payment.

There is no material amounts of revenue recognised for both financial years in relation to performance obligations satisfied in previous periods.

(ii) Unsatisfied long-term transmission service contracts

The anticipated timing for revenue recognition of liabilities related to contracts with customers (including Infrastructure establishment fees) is as follows:

	31 December 2024 \$	31 December 2023 \$
Within one year	62,873,879	27,644,839
Later than one year but not later than five years	116,177,042	112,715,337
Later than five years	93,219,565	72,172,033
	272,270,486	212,532,209

Accounting Policy

Service revenues (derived from contracts with customers) have been accounted for under the accounting standard, AASB15 Revenue from Contracts with Customers.

(i) Telecommunication Services

Telecommunication services consist of a series of performance obligations where revenue is recognised as data services have been delivered in accordance to the contract.

The performance obligation for telecommunication services is coupled with a performance obligation relating to access rights to the AARNet network, for the service agreement performance obligation cannot be executed without an access agreement.

An establishment fee forms part of the transaction price for telecommunication services. The establishment fee is not a consideration for a performance obligation in its own right, for the work to enable a transmission service cannot be separated from the transmission service itself.

(ii) Other Services

Other services consist of transmission services providing pointto-point capacity, above the network services and security-related products. Revenue is recognised as performance obligations within contracts are delivered.

(iii) Infrastructure Establishment Fees

Infrastructure establishment fees are contributions from customers to assist in the design and cost of construction. Revenue is recognised over the course of the contract's performance obligations.

(iv) Infrastructure Project Construction Revenue

Revenue from the provision of infrastructure where the infrastructure becomes the property of the customer is recognised either at a point in time or over the course of the contract's performance obligations, depending on the contract terms.

(v) Stand alone selling price in the application of AASB15 Revenue from Contracts with Customers

The standalone selling price in relation to all performance obligations contained within service contracts with customers is judged to be the fair value of those performance obligations if bought on a standalone basis.

(vi) Discounts and Taxes

Amounts disclosed as revenue are net of any discounts or taxes paid.

(vii) Income in Advance

Amounts received or due and receivable in respect of future subscription periods or for services which have not been delivered are recorded as Income in Advance and appear as a liability. Income in advance is classified as either a current liability or a non-current liability depending on when the relevant subscription expires or the related service is expected to be delivered.

(viii) Significant financing component in revenue contracts

The Group identifies significant financing components in certain revenue contracts with customers. The interest expense, income in advance and revenue balances are adjusted to recognise the impact of significant financing component comprised in the upfront contributions by customers to the company.

(ix) Departed customers & terminated services

The Group reviews the income in advance balances to identify balances pertaining to certain customers who have terminated their revenue contracts or services within their contracts. The Group does not have any obligation to refund any portion of the upfront customer contributions on such termination. Accordingly, the income in advance balances pertaining to such terminated contracts, or terminated services within contracts, have been recognised as revenue in the period of such termination.

5. OTHER INCOME

	31 December 2024 \$	31 December 2023 \$
Interest	6,355,214	4,380,710
Dividends	583,846	631,127
Grants and contributions	744,738	778,045
Other	45,324	394,371
	7,729,122	6,184,253

Accounting Policy

Interest and Dividend Income

Interest income is recognised as it accrues using the effective interest rate method and dividend income is recognised as revenue when the right to receive payment is established.

Grants and Contributions Received

This item includes amounts received by AARNet by way of grants and contributions where AARNet does not supply a service to the organisations providing the funding, however grants and contributions are recognised only upon completion of all performance obligations and when there are no unfulfilled conditions or other contingencies attaching to the grants.

The Accounting Policy for gain on financial assets at fair value is described in note 17.

6. EXPENSES

	Notes	31 December 2024 \$	31 December 2023 \$
Depreciation			
Communication assets		16,099,640	15,612,471
Office and IT equipment		3,996,619	3,733,363
Leasehold improvements		810,718	485,066
Software		54,650	1,938,925
Buildings		1,475,883	1,371,317
Total depreciation	12	22,437,510	23,141,142
Amortisation			
Intangible assets	13	75,000	75,000
Total depreciation and amortisation		22,512,510	23,216,142
Superannuation expense		5,237,632	4,736,056

Accounting Policy

Depreciation and Amortisation

The accounting policy for depreciation and amortisation is described in notes 12 and 13 respectively.

7. NET FINANCE INCOME/(EXPENSE)

	31 December 2024 \$	31 December 2023 \$
Finance income		
Significant financing revenue -		
IRU assets	2,189,175	2,459,591
	2,189,175	2,459,591
Finance expense		
Significant financing expense -		
income in advance	(4,176,931)	(3,256,137)
Interest expense - leased assets	(3,232,576)	(3,059,800)
	(7,409,507)	(6,315,937)
Net finance income/ (expense)	(5,220,332)	(3,856,346)

Accounting Policy

The Accounting Policy for significant financing component in revenue contracts is described in note 4. The Accounting Policy for lease accounting is described in note 14.

8. NET OTHER GAINS/(LOSSES)

	31 December 2024 \$	31 December 2023 \$
Gain/(loss) on financial assets at fair value	1,158,831	1,205,384
Gain/(loss) on foreign currency transactions	(99,318)	294,406
Gain/(loss) on foreign currency contracts	(35,403)	(290,008)
Gain/(loss) on disposal of assets	(5,973)	(4,768)
	1,018,137	1,205,014

Accounting Policy

Loss on foreign currency contracts

AARNet hedges a significant proportion of its exposure to foreign currency movements and does not apply hedge accounting. The accounting policy adopted with respect to derivatives and hedging activities is described below. During 2024 movements in the Australian dollar produced a loss (including realised and unrealised loss) on the hedging instruments held during and as at the end of the year of \$35,403 (2023: loss of \$290,008).

Foreign currency contracts

At year end, Foreign Currency Contracts are recognised at fair value. Realised and unrealised gain or losses on such contracts are taken into account each year in the Consolidated Profit and Loss Statement. AARNet does not apply hedge accounting.

9. INCOME TAX EXPENSE

The parent entity is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997 (amended). The other entities in the group are liable to income tax.

(a) Income tax expense

	31 December 2024 \$	31 December 2023 \$
Current tax		
Current tax on profits/(losses) for the year	(4,036)	-
Adjustments for current tax of prior year	11,726	-
Total current tax expense	7,690	-
Deferred income tax		
Prior year adjustment to deferred tax assets	45,500	-
Increase / (decrease) in deferred tax assets	(20,732)	-
Total deferred tax expenses	24,768	
Income tax expense	32,458	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	31 December 2024 \$	31 December 2023 \$
Profit from continuing operations before income tax expense	5,600,841	-
Tax at the Australian tax rate of 30.0% (2023 - 30.0%) in calculating taxable income	1,680,252	-
Net profit from the charity (income tax exempt)	(1,746,216)	-
Prior period adjustments to current tax	11,726	-
Current year losses not recognised	86,382	-
Other	314	-
	32,458	

(c) Deferred tax balances

Deferred tax assets comprise temporary differences attributable to:

	31 December 2024 \$	31 December 2023 \$
Amount recognised in assets		
Income in advance	24,768	-
(d) Unrecognised Tax losses		

	31 December 2024 \$	31 December 2023 \$
Unused tax losses for which no deferred tax asse	t	
has been recognised	287,941	-
Potential tax benefit @ 30.0%	86,382	-

The unused tax losses relate to income losses which can only be recoverable through future taxable income. They can be carried forward indefinitely.

Accounting Policy

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that could follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they

relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax exposure

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

10. RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 December 2024 \$	31 December 2023 \$	31 December 31 December 2024 202 \$
Surplus for the year	5,568,383	6,300,866	Current assets
Depreciation, amortisation and impairment	22,512,510	23,216,142	Cash at bank and in hand (AUD) 61,934,486 23,901,82
Dividend income	(583,846)	(631,127)	Cash at bank (USD and EUR) 4,669,684 821,79
Net loss (gain) on sale of investments	(1,158,831)	(1,205,384)	66,604,170 24,723,61
Net amortised interest income	38,600	83,421	
Net loss on sale of property, plant and equipment	5,973	4,767	Cash at bank and on hand
Write-off of non-current assets	8,699	97,777	
Decrease/ (increase) in trade receivables	(682,976)	(588,506)	Cash at bank and on hand is held at interest rates varying between
Decrease/ (increase) in accrued income	(2,917,203)	(1,537,464)	0.00% and 5.55% (2023: 0.00% and 5.55%). During the year, cash is
Decrease/ (increase) in prepayments			transferred to or from term deposits to meet liquidity requirements.
and other debtors	2,947,501	2,291,365	Accounting Policy
Decrease/ (increase) in derivative			
financial instruments	35,403	290,008	For the purpose of presentation in the Consolidated Statement of
Increase/ (decrease) in trade payables	(2,569,871)	(3,864,286)	Cash Flows, cash and cash equivalents includes cash on hand with
Increase/ (decrease) in other operating liabilities	123,248	65,222	financial institutions, bank overdrafts and other short-term, highly
Increase in provisions	1,731,163	434,971	liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which
Increase/(decrease) in income received			are subject to an insignificant risk of changes in value.
in advance	54,274,999	86,383,693	are subject to an insignmeant lisk of changes in value.
(Increase)/decrease in deferred tax assets	(24,768)	-	
Net cash inflow from operating activities	79,308,984	111,341,465	

11. CASH AND CASH EQUIVALENTS

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings \$	Leasehold improvements \$	Office and IT equipment \$	Communication assets \$	Software \$	Total \$
At 1 January 2023						
Cost	14,863,550	7,561,641	26,487,717	395,682,514	3,438,436	448,033,858
Accumulated depreciation	(5,202,461)	(2,351,155)	(15,793,450)	(151,917,501)	(1,554,088)	(176,818,655)
Net book amount	9,661,089	5,210,486	10,694,267	243,765,013	1,884,348	271,215,203
Year ended 31 December 2023						
Opening net book amount	9,661,089	5,210,486	10,694,267	243,765,013	1,884,348	271,215,203
Additions	-	1,831,477	2,377,643	43,676,435	-	47,885,555
Additions right-of-use assets	2,611,665	-	-	-	-	2,611,665
Disposals	-	(2,088)	(2,679)	-	-	(4,767)
Depreciation expense	(1,371,317)	(485,066)	(3,733,363)	(15,612,471)	(1,938,925)	(23,141,142)
Other	-	(73,053)	(24,366)	90,322	123,224	116,127
Closing net book amount	10,901,437	6,481,756	9,311,502	271,919,299	68,647	298,682,641
At 31 December 2023						
Cost	17,475,215	9,317,802	28,732,538	439,105,207	1,767,992	496,398,754
Accumulated depreciation	(6,573,778)	(2,836,046)	(19,421,036)	(167,185,908)	(1,699,345)	(197,716,113)
Net book amount	10,901,437	6,481,756	9,311,502	271,919,299	68,647	298,682,641

	Buildings \$	Leasehold improvements \$	Office and IT equipment \$	Communication assets \$	Software \$	Total \$
Year ended 31 December 2024						
Opening net book amount	10,901,437	6,481,756	9,311,502	271,919,299	68,647	298,682,641
Additions	-	127,717	1,617,182	55,819,194	-	57,564,093
Additions right-of-use assets	-	-	-	1,505,752	-	1,505,752
Remeasurement of right-of-use assets	(1,942,654)	-	-	-	-	(1,942,654)
Disposals	-	-	(7,473)	-	-	(7,473)
Depreciation expense	(1,475,883)	(810,718)	(3,996,619)	(16,099,640)	(54,650)	(22,437,510)
Other	-	(2,273)	(49,356)	42,930	-	(8,699)
Closing net book amount	7,482,900	5,796,482	6,875,236	313,187,535	13,997	333,356,150
At 31 December 2024						
Cost	15,532,560	9,443,246	29,786,535	490,593,201	1,767,992	547,123,534
Accumulated depreciation	(8,049,660)	(3,646,764)	(22,911,299)	(177,405,666)	(1,753,995)	(213,767,384)
Net book amount	7,482,900	5,796,482	6,875,236	313,187,535	13,997	333,356,150

Communication assets- finance leases

AARNet provides other parties with rights to use components of AARNet's fibre and other infrastructure in return for that party providing AARNet with similar rights to use components of its fibre and infrastructure.

Right-of-use assets

Communication assets and Buildings include both assets and leased right-of-use assets. See Note 14 for more detail on right-of-use assets.

Assets in the course of construction

Included in the carrying amounts of the assets shown above are assets that were in the course of construction as at the end of the reporting period. The relevant amounts are as follows:

	31 December 2024 \$	31 December 2023 \$
Communication assets	93,605,198	74,620,647
Office and IT equipment	3,373,781	4,732,915
Leasehold improvements	66,678	86,296
	97,045,657	79,439,858

Accounting Policy

Acquisition

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to AARNet and the cost of the item can be measured reliably.

Fibre and Infrastructure Swaps

AARNet may enter into arrangements granting other parties the right to use AARNet's fibre or infrastructure in return for receiving rights to use fibre or infrastructure owned by the other party ("swaps"). Where such swaps involve significant values of assets, AARNet records an asset disposal in respect of the assets used by the other party at the

carrying value of the relevant assets at the time the swap becomes effective. AARNet then recognises an asset of equivalent value, being the right to use the fibre or infrastructure of the other party.

Unincorporated Joint Operations

AARNet accounts for interests in unincorporated joint operations by recognising its share of the assets and liabilities held or owed by the joint operation along with its share of the expenses incurred by the joint operation.

Where the assets held within the joint operation include assets in the course of construction, AARNet's share of those assets is included in the values for assets in the course of construction shown in this note.

Depreciation

Property, plant and equipment is depreciated using the straight-line method to allocate cost, net of residual value, over each item's estimated useful life, as follows:

-	Buildings	5 - 25 years
-	Leasehold improvements	10 years
-	Office and IT equipment	3 years
-	Leased communication assets	5 - 6 years
-	Leased office equipment	3 years
-	Communication assets	2 - 35 years
-	Software	2 - 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period; such adjustments may result in a revised useful life shorter than that shown above.

Impairment of Assets

Assets that are subject to depreciation or amortisation are reviewed for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use is calculated on the basis of the depreciated replacement cost, which represents the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Impairment of Assets (continued)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). The company has two cash generating units, being the network and the security operations centre.

Gains and Losses

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Profit and Loss Statement.

13. INTANGIBLE ASSETS

Accumulated amortisation

Net book amount

Interest	expense	capitalised
----------	---------	-------------

The company's accounting treatment on interest expense on account of significant financing component identify in its contracts with customers in accordance with AASB15 revenue from customers with contracts, is to capitalise such interest expenses as a borrowing cost during the period of construction where the upfront contribution by customers is used for the construction of the related network assets. The interest expense is considered as a directly attributable cost of construction of the related network assets where the construction takes more than 12 months to complete.

Indefeasible Rights

(8,499,913)

208,065

(8,499,913)

208,065

Accounting Policy

The value of each IRU is amortised from the date each right become available for service and will continue to be amortised over the term of the right, which varies from 10 to 28 years. The longest remaining amortisation period is approximately 20 years.

14. LEASES

This note provides information for leases where AARNet is the lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2024 \$	31 December 2023 \$	Expenses related to leases of low-value assets that are not shown above as short-term leases		
Right-of-use assets			(included in other administration expenses)	8,271	7,947
Buildings	7,423,707	10,838,962	Expenses related to variable lease payments not		
Communication assets	43,156,476	45,699,366	included in lease liabilities (included in other		
	50,580,183	56,538,328	administrative expenses)	1,385,229	742,526
Lease liabilities			The total cash outflow for leases in 2024 wa	s \$8,821,134	
Current	3,147,928	3,286,521	(2023: \$8,745,378).		
Non-current	39,812,287	44,156,833			
	42,960,215	47,443,354	Future lease payments in relation to lease lia end are as follows:	bilities as at the	e period
		2024 \$		2024 \$	2023 \$
Opening right-of-use assets as at 1 January 2024		56,538,328	Within one year	5,978,771	6,226,143
Depreciation charge to right-of-use assets		(5,521,243)	Later than one year but not later than five years	21,457,459	21,785,515
Additions of right-of-use assets		1,505,752	Later than five years	37,343,181	43,329,185
Remeasurement of right-of-use assets		(1,942,654)		64.779.411	71,340,843
Right-of-use assets recognised as at 31 December	2024	50,580,183		· · · ·	
Remeasurement of right-of-use assets Right-of-use assets recognised as at 31 December	2024			64,779,411	71

	Security Ś	to Use traffic path \$	Total \$
At 1 January 2023	÷	Ý	
Opening net book amount	213,904	358,065	571,969
Reclassification to PP&E	(213,904)	-	(213,904)
Amortisation charge	-	(75,000)	(75,000)
Closing net book amount	-	283,065	283,065
At 31 December 2023			
Cost	-	8,707,978	8,707,978
Accumulated amortisation	-	(8,424,913)	(8,424,913)
Net book amount	-	283,065	283,065
		Indefeasible Rights to Use traffic path \$	Total \$
Year ended 31 December 2024			
Opening net book amount		283,065	283,065
Amortisation charge		(75,000)	(75,000)
Closing net book amount		208,065	208,065
At 31 December 2024			
Cost		8,707,978	8,707,978

AARNet's intangible assets are indefeasible rights to use (IRU) capacity on traffic paths across communication infrastructure owned by other parties.

(ii) Amounts recognised in the Consolidated Profit and Loss Statement

The consolidated profit and loss statement includes the following amounts relating to leases:

	31 December 2024 \$	31 December 2023 \$
Depreciation charge to right-to-use assets - Communication & Building assets	5,521,242	5,964,535
Interest expense (included in net finance income/(expenses))	3,232,576	3,059,800
Expense related to short-term leases (included in other administration expenses)	973,001	955,546
Expenses related to leases of low-value assets that are not shown above as short-term leases (included in other administration expenses)	8,271	7,947
Expenses related to variable lease payments not included in lease liabilities (included in other administrative expenses)	1,385,229	742,526

(iii) AARNet's leasing activities and how these are accounted for

AARNet leases various offices, data centre space and dark fibre. Rental contracts are typically made for fixed periods of 1 to 20 years, but may have extension options as described in (iv) on the following page.

Contracts may contain both lease and non-lease components. AARNet allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(iii) AARNet's leasing activities and how these are accounted for (continued)

However, for leases of real estate for which AARNet is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by AARNet under residual value guarantees, and
- Payments of penalties for terminating the lease, if the lease term reflects AARNet exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases at AARNet, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain as asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, AARNet uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by AARNet.

AARNet is exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Consolidated Profit and Loss Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Profit and Loss Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of equipment and small items of office furniture.

(iv) Extension and termination options

Extension and termination options are included in a number of leases. These are used to maximise operational flexibility in terms of managing the assets used in AARNet's operations. The majority of extension and termination options held are exercisable only by AARNet and not by the respective lessor.

15. RECEIVABLES AND OTHER ASSETS

	31 December 2024 \$	31 December 2023 \$
Current assets		
Trade receivables	3,203,156	2,520,180
Provision for impairment of receivables	(129,212)	(129,212)
Prepayments and other debtors	25,414,279	23,298,728
	28,488,223	25,689,696
Non-current assets		
Prepayments and other debtors	33,736,461	38,799,513

Trade Receivables

Trade receivables are due for settlement no more than 30 days from the date of recognition.

At 31 December 2024, trade receivables included balances of \$1,239,850 (2023: \$1,050,502) which are past due but not impaired or considered uncollectable. These amounts have been outstanding for more than 90 days. These relate to a number of customers for whom there is no history of default.

Prepayments and other debtors

Payments for goods and services which are to be provided in future years are recognised as prepayments. This includes prepayments for IRU arrangements that are not identified as leases.

Other debtors generally arise from transactions outside the usual operating activities of AARNet. Interest is not normally charged.

Fair Value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Accounting Policy

Trade receivables are recognised initially the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The amount of the provision is recognised in the Consolidated Profit and Loss Statement in Telecommunications Supply expenses.

The carrying value less impairment provision of trade receivables is assumed to approximate fair value due to the short-term nature of the receivables.

16. ACCRUED INCOME

	31 December 2024 \$	31 December 2023 \$
Current assets		
Accrued interest receivable	1,101,454	1,914,761
Infrastructure projects	3,680,474	38,333
	4,781,928	1,953,094

17. FINANCIAL ASSETS AND INVESTMENTS

AARNet holds financial assets and investments (other than prepayments or trade receivables) including:

- Financial instruments at amortised cost (notes 18)
- Financial assets at fair value through Consolidated Profit and Loss Statement (note 19)
- Financial assets at fair value through other comprehensive income (note 20)
- Derivative financial instruments (shown on the Consolidated Balance Sheet)

Accounting Policy

Purchases and sales of financial assets are recognised on the date on which AARNet commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and AARNet has transferred substantially all the risks and rewards of ownership.

Initial recognition - measurement

At initial recognition, AARNet measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on AARNet's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which AARNet classifies its debt instruments:

Amortised cost: AARNet classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Interest income from these financial assets is included in Other Income - Interest using the effective interest rate method. Any increase/(decrease) in financial assets at fair value through profit and loss (FVPL) or at fair value through other comprehensive income (FVOCI) is recognised directly in Consolidated Profit and Loss Statement and presented in gain/(loss) on financial assets at fair value (note 8) together with gain/(loss) on sale of investments.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Consolidated Profit and Loss Statement, if required.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

Equity instruments

AARNet subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the Consolidated Profit and Loss Statement as applicable.

Impairment

AARNet assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derivatives and hedging activities

Derivatives are initially recognised at cost on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

AARNet has entered into forward exchange contracts which are economic hedges for foreign currencies to be traded at a future date but do not satisfy the requirements for hedge accounting. Any changes in fair values are taken to other comprehensive income immediately.

Fair value measurements

AARNet measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit and loss; and
- Derivative financial instruments.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: guoted prices (unadjusted) in active markets for identical assets or liabilities:

Level 2: inputs other than guoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the company's assets and liabilities measured and recognised at fair value at 31 December 2024 and 31 December 2023:

31 December 2024	Level 1 \$	Level 2 \$	Level 3 \$	
Assets				
Equity securities - fair value through profit and loss Bonds - fair value through profit	11,086,255	-	-	11,086,255
and loss	1,029,500	29,048,753	-	30,078,253
Debt securities- fair value through other comprehensive income	-	7,590,675	-	7,590,675
	12,115,755	36,639,428	-	48,755,183
31 December 2023	Level 1	Level 2	Level 3	
	\$	\$	Ş	\$\$
Assets Equity securities - fair value through profit and loss Bonds - fair value through profit	10,158,125	-	-	10,158,125
and loss Debt securities- fair value through	1,367,363	20,205,754	-	21,573,117
other comprehensive income	-	4,022,340	-	4,022,340
Derivative financial instruments	-	35,403	-	35,403
	11,525,488	24,263,497	-	35,788,985

The fair value of financial instruments traded in active markets (such as listed financial assets at FVPL) are based on guoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (such as derivative financial instruments and unlisted financial assets) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

18. FINANCIAL ASSETS AT AMORTISED COST

	31 December 2024 \$	31 December 2023 \$
Current Assets		
Debt securities (fixed and floating rates)	8,523,955	-
Term deposits	31,000,000	56,000,000
	39,523,955	56,000,000
Non-current assets		
Debt securities (fixed and floating rates)	8,318,496	16,870,094

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2024 \$	31 December 2023 \$
Current Assets		
Debt securities (fixed and floating rates)	3,434,160	7,010,957
Non-current assets		
Available for sale financial assets	11,086,255	10,158,125
Debt securities (fixed and floating rates)	26,644,093	21,573,117
	37,730,348	31,731,242

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024 \$	31 December 2023 \$
Non-current Assets		
Debt securities (fixed and floating rates)	7,590,675	4,022,340

21. TRADE AND OTHER PAYABLES

	31 December 2024 \$	31 December 2023 \$
Current liabilities		
Trade payables	5,354,912	9,063,488
Other payables	806,907	1,796,911
	6,161,819	10,860,399

Trade payables and accruals are expected to be paid within 30 days.

These amounts represent liabilities for goods and services provided to AARNet prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Accounting Policy

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to AARNet for similar financial instruments.

22. PROVISIONS

	31 December 2024 \$	31 December 2023 \$
Current liabilities		
Employee benefits	11,238,672	9,610,391
Non-current liabilities		
Employee benefits	797,983	695,101
Make good on leased premises	390,647	390,647
	1,188,630	1,085,748

Accounting Policy

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements expected to be settled within 12 months of the reporting date, are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Make good on leased premises

Provisions for make good costs on leased premises are recognised when AARNet has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

23. CONTRIBUTED EQUITY

	31 December 2024 Shares	31 December 2023 Shares	31 December 2024 \$	31 December 2023 \$
Ordinary shares				
Fully paid ordinary shares	78	78	39,039	39,039
Date	Details		Number of Shares	\$
1 January 2023	Opening balance		78	39,039
31 December 2023	Balance		78	39,039
31 December 2024	Balance		78	39,039

		31 December 2024 Shares	31 December 2023 Shares	31 December 2024 \$	31 December 2023 \$
Ordinary shares					
Fully paid ordinary shares		78	78	39,039	39,039
Movements in ordinary sl	Details			Number of Shares	\$
1 January 2023	Opening balance			78	39,039
31 December 2023	Balance			78	39,039
31 December 2024	Balance			78	39,039

AARNet's shareholders are 38 Australian Universities and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). Each shareholder holds two ordinary shares.

Holders of ordinary shares are entitled to one vote per share on resolutions put before the members. Holders of ordinary shares are not entitled to dividends and have no right to receive any distribution during a winding up.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

The key management personnel are those who had authority and responsibility for planning, directing and controlling the activities of AARNet, directly or indirectly, during the year. The remuneration for key management personnel including directors is as follows:

	31 December 2024 \$	31 December 2023 \$
Short-term employee benefits	4,011,712	3,865,162
Long-term employee benefits	530,843	387,287
Post-employment benefits	497,170	484,134
	5,039,725	4,736,583

Transactions with key management personnel

Other directors represent, act for, or hold offices at certain AARNet shareholders and customers. AARNet provides services to these shareholders on arm's length terms.

25. COMMITMENTS AND CONTINGENCIES

(a) Expenditure and capital commitments

	31 December 2024 \$	31 December 2023 \$
Within one year	26,220,055	34,827,772
Later than one year but not later than five years	11,263,203	9,924,658
Later than five years	29,431,378	28,746,098
	66,914,636	73,498,528

(b) Contingent liabilities

Bank guarantee and credit facilities

AARNet has a \$1,500,000 Bank Guarantee Facility provided by the National Australia Bank. AARNet has drawn on this facility to provide bank guarantees in favour of the landlords for leased premises and a third party contractor. AARNet has an unsecured credit card facility of \$400,000 (2023: \$300,000).

AARNet's bankers have issued bank guarantees in favour of the Company's landlords and a third-party contractor with total face value of \$1.305.421 (2023; \$1.252.204).

26. REMUNERATION OF AUDITORS

PricewaterhouseCoopers

	2024 \$	2023 \$
Audit and other assurance services		
Audit and review of financial statements	404,055	460,870
Total remuneration for audit and other		
assurance services	404,055	460,870
Taxation services		
Taxation compliance	21,400	-
Other services		
Advisory services	-	95,500
Total remuneration of PricewaterhouseCoopers	425,455	556,370

27. GROUP STRUCTURE

(a) The AARNet Pty Ltd group subsidiaries as at 31 December 2024 are set out below

	Ownership %	Ownership %
	2024	2023
AARNet Research Cloud Pty Ltd	100	100
AARNet Services Pty Ltd	100	100

These entities were incorporated in Australia during 2023

(b) Investment in Joint Ventures

Accounting Policy

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

We account for joint ventures using the equity accounting method of accounting. Under this method, we recognise the investment at cost and subsequently adjust it for our share of profits or losses, which are recognised in the Consolidated Profit and Loss Statement and our share of other Comprehensive Income, which is recognised in the Consolidated Statement of changes in Equity.

Generally, dividends received reduce the carrying value of the investment.

The table below presents a list of our investments in joint ventures, their principal place of business, country of incorporation and our ownership interests.

Name of Entity	Principal Activity	Principal place of business/ Country of Incorporation	Ownership % 2024	Ownership % 2023
	Ownership & operation of			
Research & Education Industry Network Pty Ltd	telecommunication networks	Australia	50%	-
During 2024 the Group entered the above joi were not operational as at 31 December 2024	4.		ered in 2024, however	
The Carrying amount of the investment in join	nt ventures is nil as at 31 Decei	nber 2024.		
28. PARENT ENTITY DISCLOSURES				
The individual financial statements for the par	rent entity, AARNet Pty Ltd, sho	w the following aggregate amo	unts:	

	31 December 2024 \$	31 December 2023 \$
Total current assets	142,802,592	114,638,945
Total non-current assets	421,040,195	390,388,894
Total assets	563,842,787	505,027,839
Total current liabilities	84,134,503	51,033,586
Total non-current liabilities	250,006,878	230,129,951
Total liabilities	334,141,381	281,163,537
Net assets	229,701,406	223,864,302
Contributed equity	39,039	39,039
Reserves	20,575	4,190
Retained earnings	229,641,792	223,821,073
Total equity	229,701,406	223,864,302
	31 December 2024 \$	31 December 2023 \$
Surplus for the year	5,820,719	6,261,778
Total comprehensive surplus for the year	5,837,104	6,277,323

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the consolidated financial statements and notes set out on pages 8 to 31 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the year ended on that date, and
- there are reasonable grounds to believe that the Company and (b) its controlled entities will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

Ulas. pl_

Emeritus Professor DI O'Connor AC Mr Chris Hancock AM Director Director

Sydney 24 March 2025



Independent auditor's report

Our opinion

In our opinion:

The accompanying financial report of AARNet Pty Ltd (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, including:

- (a) financial performance for the year then ended
- (b) Australian Charities and Not-for-profits Commission Regulations 2022.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 31 December 2024
- the consolidated profit and loss statement for the year then ended
- the consolidated statement of changes in equity for the year then ended ٠
- the consolidated statement of cash flows for the year then ended .
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

giving a true and fair view of the Group's financial position as at 31 December 2024 and of its

complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/apzlwn0y/ar3 2024.pdf. This description forms part of our auditor's report.

Mende Mire wows

PricewaterhouseCoopers

Broth J Nahas

Brenton Newlands Partner

PricewaterhouseCoopers, ABN 52 780 433 757 One International Towers Sydney, Watermans Quay, BARANGAROO, GPO BOX 2650, SYDNEY NSW 2001 T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150, PO Box 1155 PARRAMATTA NSW 2124 T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Sydney 24 March 2025





aarnet.edu.au