



Optus Network Outage

Submission to the Environment and Communications
References Committee
November 2023

Introduction

The Australian Chamber of Commerce and Industry (ACCI) appreciates the opportunity to make a submission to this inquiry regarding the Optus Network Outage on Wednesday, 8 November 2023 (the Optus outage).

ACCI is the pre-eminent peak body representing small businesses in Australia. In this network are small business owners from a vast array of sectors, including builders, mechanics, plumbers, electricians, pharmacists, restaurants, retailers, regional accommodation providers, vets, convenience store owners, dentists and travel agents to name a small fraction. This knowledge base allows us to highlight key issues on behalf of small businesses.

The Optus outage had a significant impact on businesses across Australia, but the impacts were more keenly felt by small businesses who are so dependent on day-to-day trade and operations. This has not been acknowledged by the company which has been extremely disappointing. Furthermore, there has been a lack of information available to and communication with customers on the day or and following the outage.

Impact on small businesses

Reliable and accessible connectivity for small businesses is important, with many small businesses dependent on internet and telephone connections for all or a significant portion of their operations. These services facilitate purchases through EFTPOS, stock ordering, viewing and fulfilling online purchases, scheduling customer appointments, accounting and bookkeeping, and payment of staff.

Small businesses are currently experiencing significant imposts as to how they do business, including through rising costs, increasing complexity in their industrial relations framework, and worker shortages.

At the same time, businesses are being encouraged to digitise their operations to increase productivity and enhance profitability. As a result, many small businesses have made the transition to cashless operations, often meaning they are heavily if not completely reliant on internet connectivity to maintain operations such as enabling customers to pay for goods and services. It would suffice to say that many businesses are not able to open their doors without internet connectivity.

Given these changing and increasing complexities, small businesses should be able to expect that the basic services which allow their business to operate, such as connectivity, will be available as intended.

Some members have advised ACCI that they were only able to get online during the outage as they have a service with another network, and only where they used this other service to hotspot their work devices. For others who did not have access to another service, this was not possible, resulting in a significant loss of trade.

Given this situation, it is clear that the Optus outage has had a significant impact on all businesses, none more so than small businesses.

Communications from Optus to affected customers

Optus failed to meet its obligation to keep customers informed during a service disruption. Despite the fundamental importance of connectivity to their business, Optus's initial acknowledgment of the incident was a vague statement about the significance of connectivity. Businesses and consumers were left unaware of the outage details, causing difficulties for those relying on services, including businesses unable to process payments or communicate.

Even two days later, some ACCI members had not received any communication from Optus about the outage or compensation plans. The lack of information hindered small businesses leading to closures, loss of trade, and financial challenges for employees. The outage's impact was worsened by the absence of updates on service restoration timelines.

While the Optus outage disappointed many, the most frustrating aspect was the lack of communication about the issue and expected resolution times. All customers, regardless of size or contribution, should reasonably expect prompt notification and information when services are disrupted, a standard that Optus failed to meet during the outage.

Compensation offered to affected customers

At a time when many Australians, including small business owners, are struggling to make ends meet, the cost of a full day's trade is more important than ever. We know that around 43% of small businesses fail to make a profit and 75% of small business

owners take home less than the average wage,¹ and that is without being forced to close due to a lack of internet and telephone services.

Optus was quick to dismiss calls to financially compensate customers for their losses and inconvenience, which was deeply disappointing.

ACCI and its members are concerned with Optus' comments suggesting that the outage is worth \$2 for customers.² Services started coming back online in the afternoon of Wednesday, 8 November after first going down at around 4:00am. For many small businesses, this meant that they were not able to serve any or most customers for the majority of the day, if at all if they operate a cashless business. It is doubtful businesses would have experienced a loss in line with Optus' estimate of approximately \$2, many small businesses experienced a loss of a whole day's trade.

In light of this, it is clear that Optus' offer of compensation has been woefully inadequate.

The offer of free data, 200GB for most customers, is not what many Optus customers were anticipating. Noting that many customers, including small businesses, have unlimited internet plans, it is unclear how this compensatory scheme serves them in any way.

ACCI strongly urges Optus to reconsider this inadequate attempt to reward affected and remaining customers. Optus should provide financial compensation for customers commensurate with their losses.

At the bare minimum, instead of unwanted data, Optus should provide credits to accounts commensurate with the losses incurred or provide a discount on the next invoice.

Other comments

We note that there are contingencies in place to avoid an Australia-wide shut down through the network of Global Navigation Satellite System (GNSS) Continuously Operating Reference Stations (CORS). Geoscience Australia cooperatively operates and maintains GNSS networks of approximately 100 CORS across the Australian region and the South Pacific.³ The network allows nearby equipment and machinery to accurately determine coordinates for positioning and guidance solutions across a variety of sectors, such as surveying, construction, emergency services, mining, emergency services and asset management.

While it is reassuring that these safeguards are in place for important aspects of Australia to continue functioning where a telecommunications network fails, this

¹ Australian Small Business and Family Enterprise Ombudsman 2023, *Small Business Matters*, June 2023, pg1.

² Rolfe, J., Armstrong C., and O'Doherty, J. 2023, *Optus' token thank you for disaster outage sparks fury*, The Daily Telegraph, 9 November 2023 [accessed 13 November 2023].

³ Geoscience Australia 2023, *Global Navigation Satellite System Networks*, 7 June 2023 [accessed 13 November 2023].

does not support ordinary personal and business customers where an outage occurs, as demonstrated through the Optus outage.

We urge the government to re-examine the issue of network vulnerability of this critical infrastructure. The business community is completely reliant on a constantly-functioning communications network and disruptions in this service have severe impacts on businesses and their customers.

Next steps

We thank the Committee for your consideration of our submission. If there are any questions, please contact Natalie Heazlewood, Director Skills, Employment and Small Business at _____ or Samantha McKenna, Policy Adviser Skills, Tourism and Small Business at _____.

About the Australian Chamber of Commerce and Industry

The Australian Chamber of Commerce and Industry (ACCI) is Australia's largest and most representative business network. We facilitate meaningful conversations between our members and federal government – combining the benefits of our expansive network with deep policy and advocacy knowledge. It's our aim to make Australia the best place in the world to do business. ACCI membership list can be viewed at www.australianchamber.com.au/membership/current-members/

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