

OPTUS OPENING STATEMENT

Thank you Chair.

I appear before the Committee today to account for Optus' actions following the events of 18 September last year, and to explain the changes we have made in response.

When the Optus network failed that day, the consequences were severe. People seeking emergency assistance could not get through.

It weighs heavily on me, on our Board, and on the people of Optus. We recognise the seriousness of what happened and the responsibility we bear.

The key point going forward, I believe, is how Australians can trust the Optus network to be there when they need it.

Addressing that question has three related parts.

The first of these is the longer-term transformation program that was already underway within Optus.

The second is the very unusual situation, set out in detail in the Schott Review, where normal calls were unaffected while emergency calls were blocked during the outage.

And the third part is the critical gaps that were highlighted by that outage and needed to be fixed quickly.

Let me take these in turn and show how they fit together, starting with the long-term transformation program.

Before I came to Optus, a series of incidents had shaken public trust in the company. It was obvious that reform was needed.

I was brought into Optus with a mandate to determine what needs to change and to lead the company through those changes.

There was a lot to do, but making rapid, wholesale changes to systems and processes is itself not risk free.

That is why we commenced a carefully planned transformation program to move swiftly, and systematically, to address the issues.

By May last year, we had set up a transformation office to coordinate efforts across the organisation, set priorities, track progress, and ensure clear accountability.

We strengthened senior leadership, established new business units and articulated a clear purpose to guide our people for the work ahead.

Then, in September, the Triple Zero outage occurred, exposing critical gaps demanding immediate attention.

The fact that the outage was of such an unusual nature had flow on effects in many of the failures we saw that day. For example, seemingly normal traffic flows masked underlying variations in Triple Zero calls. To the people fielding enquiries in the call centre, the network appeared to be operating normally, while the nature of the failure made it difficult to extract the caller details, delaying welfare checks considerably.

As I said though, the outage exposed issues that required a fast response.

This work has been guided by Dr Schott's Review, including the 21 recommendations accepted in full by the Optus Board.

Optus is already a substantially different company.

We have onboarded new onshore call centre roles; we have strengthened escalation processes in our call centres and across the business; and we have improved real-time visibility and monitoring of Triple Zero performance.

We also have a new automated welfare check process when there is an outage impacting Triple Zero.

There have also been substantial changes to executive leadership including in Networks, Security, Technology, Legal, Compliance and Risk.

The new executives on my leadership team possess highly relevant skills including telecommunications experience from organisations including Telstra and Aussie Broadband.

The Board and I are ensuring we have the right people in the right positions to continue with the reforms and build customer trust.

We have more to do as we strengthen our culture and this is a key part of our longer-term transformation program.

All of this work doesn't mean outages won't happen again. Any network is susceptible to outages from weather, natural disasters, or from unforeseen issues like software failures or glitches. Indeed, Optus has experienced other outages since September, but the way we respond is different.

There is also an industry-wide component to building trust. There must be an effective back-up system so emergency calls still get through during network disruptions.

While the back-up system did not function as expected on 18 September, in part due to mobile phone device behaviour, this event has underscored a broader systems issue for the industry.

We are working closely with industry, government and device manufacturers to reduce risk across Australia's mobile networks.

So, in summary, we are taking a systematic approach to improving the company over time as well as fast responses to the issues arising from the outage.

Trust is earned through actions, not words and only the people of Australia can answer the question about placing trust in Optus in the future. But for everyone at Optus, we are doing everything we can to earn that trust.

We will continue to strengthen our systems, hold ourselves accountable, and work with industry, our critical partners and vendors, and government to strengthen the Triple Zero system so that it simply works when it is needed.

That is the standard I expect of Optus, and the standard against which we will continue to be judged.

Thank you.