



Hot issues

Number one telco issue for small business is ‘access’

Many small businesses rely on telecommunication services to operate. When services do not deliver, this can result in losses for small business owners.

To get insights into what telecommunication issues small businesses are facing and hear more about what they need from their services, we interviewed the [Australian Small Business and Family Enterprise Ombudsman](#) (ASBFEO), Kate Carnell.

What are the telco issues ASBFEO is hearing about from small businesses?

In a word, the number one telco issue for small business is ‘access’. Access to a landline phone; access to good mobile coverage; access to the internet; access to fast internet speeds.

Small businesses who are digitally engaged, are more likely to be healthy small businesses. Of those businesses that are highly digitally engaged, 83 per cent of them believe that they will be growing in the next twelve months. For those who aren’t digitally engaged, only 46 per cent have any confidence in their growth potential.

Small businesses that are digitally engaged are more efficient; they’re twice as likely to be growing, they are four times more likely to be employing staff, so it’s an understatement to say connectivity matters to small business.

What improvements could telcos make to deliver a better customer experience for small businesses?

Responsiveness to issues when they arise is an area I believe telco companies could improve upon. If a small business – even for a few hours – is without a phone or internet access, it’s money down the drain; telcos need to understand these business owners need resolutions to service interruptions quickly and efficiently, in order to prevent their customers from going elsewhere.

There are some serious knowledge gaps among the small business community about the cost and capabilities of modern telecommunication services; many don’t understand how it can help make life easier, while some think it’s cost prohibitive. I think telcos certainly have a greater role to play in terms of educating small businesses about their services, and how these services can enhance small business profitability.

With the high profile telecommunications outages earlier this year, have you heard increased complaints from small businesses about these?

Irrespective of outages which occur from time to time, small businesses simply want to be able to go forward with confidence that – unforeseen circumstances aside – they'll have access to the services they need, to get on with the day-to-day business of running their small business.

Fast resolutions to problems when they do arise however, go a long way to supporting small business sustainability. As I mentioned previously, prompt customer service that acknowledges the serious flow-on effects a telco outage can trigger, is critical to developing and sustaining small business confidence.

What impact will the new unfair contracts law have on telco contracts for small businesses?

The unfair contract terms law is a game-changer for small businesses who in the past, have had little – if any – power to influence the terms of a standard form contract. Telco contracts were among those recently examined during an industry review by the ACCC who – together with ASIC – will administer the new law. The review looked at the standard form business contracts offered by five of Australia's telecommunication firms. The ACCC identified a number of commonly used terms that raised potential concerns, including unilateral variation clauses, early termination charges along with limited liability and indemnity clauses. As a result, some telco providers have removed, amended or are reviewing terms to ensure they're fair and reasonable.