Australian Government | New Zealand Government

Australia & New Zealand

E-invoicing

Presented by:

Martin Mane
Acting Assistant Commissioner, e-invoicing
Australian Taxation Office

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NZ Ministry of Business, Innovation and Employment

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e-invoicing opportunity for Australia & New Zealand

PRODUCTIVITY

$9.18 e-Invoice cost saving up to **$21.69** per invoice

Potential savings of **$30b** over 10 years across Australia & New Zealand

1/3 error reduction

In New Zealand: **164,431** < 20 employees **325,357** small, **64,840** medium, **301** Large businesses

In Australia there are **1,284,708** non employing, **584,887** micro, **197,211** small, **50,849** medium & **3,606** Large businesses

89%

Small & medium businesses process invoices **manually**

1.2 billion invoices in Australia, **280 million** in New Zealand & **7 million** trans-Tasman per year

PAYMENT TIMES

Lower process times and errors = quicker payment

Encourage adoption by offering shorter payment times

Australia averages **26 days late payment** international average of **6 days**

Payment delay caused by:
Incorrect information (21.4%)
Sent to wrong person (21.9%)

Small businesses are collectively **owed $26 billion** in unpaid invoices at any one time

MARKET IMBALANCE

All businesses are able to enjoy the benefits of e-invoicing

Existing participants do not need to access separate systems across trade groups

Large business **impose closed trading solutions** on suppliers

Too many **complex, proprietary standards** slowing adoption

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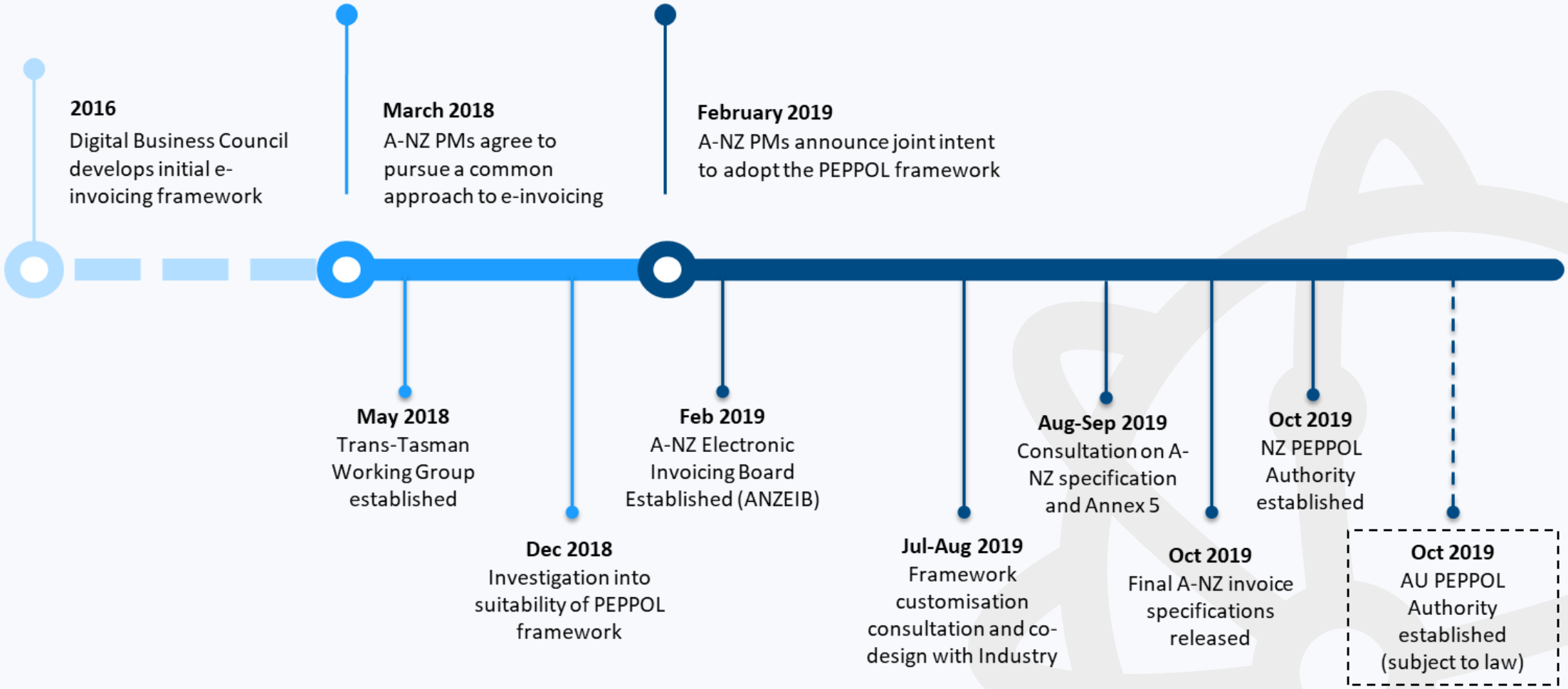
History – key activities



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PEPPOL customisation in Australia and New Zealand

A-NZ BIS extensions

- A-NZ e-invoice extension
- A-NZ self-billing extension

Mandatory security requirements for AP/SMPs

- assessed as part of A-NZ accreditation process
- compliance reviewed annually

Usage reporting by AP/SMPs

- supports adoption activities
- enables network monitoring

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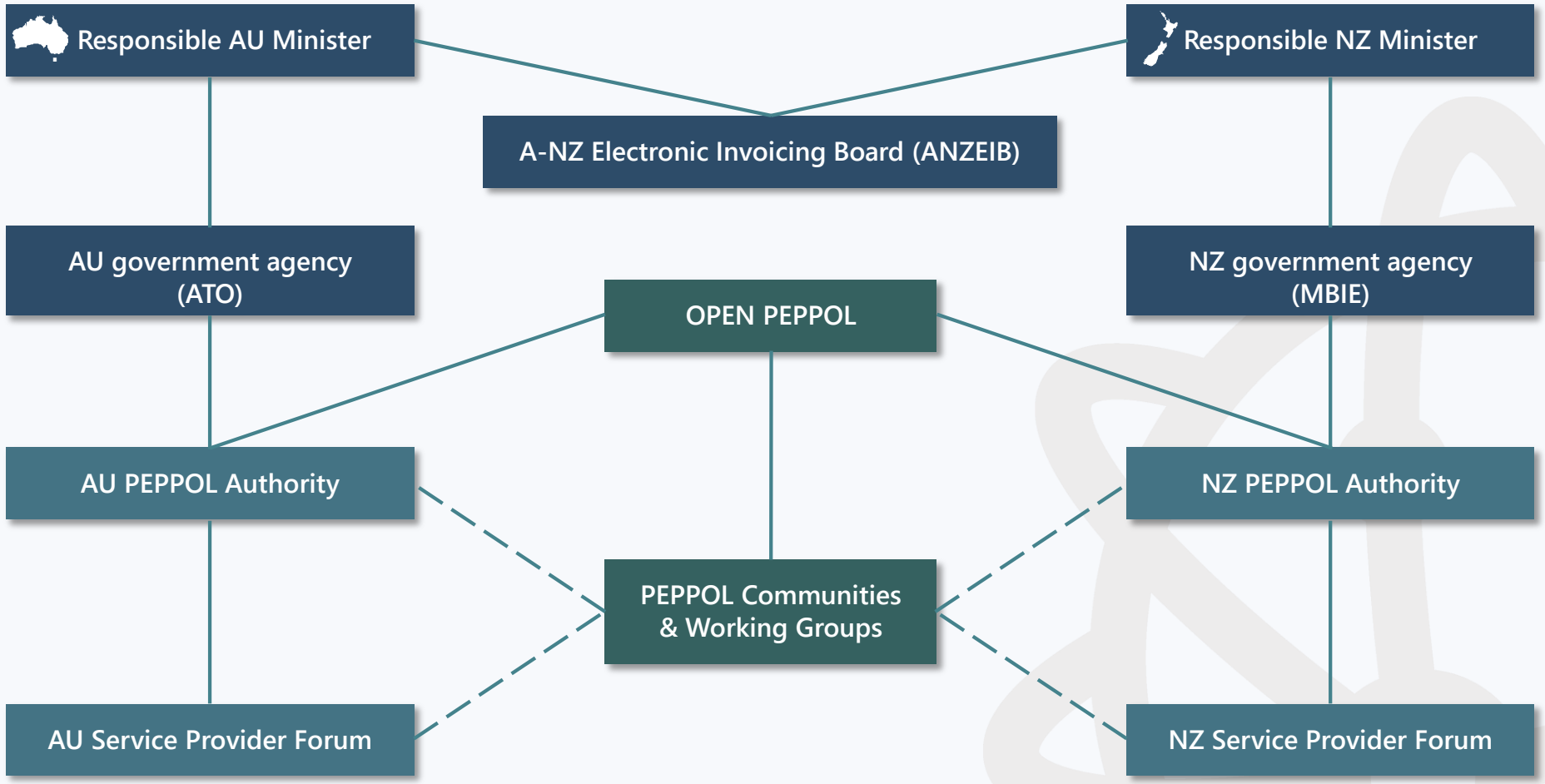
Governance Structure



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Adoption Strategy Phases

PHASE 1 VOLUNTARY ADOPTION

- Faster payment terms for Federal government and accelerated payment terms for NZ
- Accreditation and onboarding of PEPPOL service providers (APs and SMPs)
- SME accounting software packages and OCR solution providers begin becoming PEPPOL enabled
- NZ – consider development of government access point / portal
- Provide support to government agencies that are ready to adopt
- Target large-medium buyers who can exert influence over their suppliers
- Progressive adoption as accounting packages become PEPPOL enabled

PHASE 2 GOVERNMENT ADOPTION

- Federal government agencies to accept PEPPOL invoices and offer reduced payment times
- All NZ and Federal government agencies are PEPPOL enabled
- State government agencies adopt PEPPOL framework across different sectors
- Communication and marketing campaign to support small business user adoption

FUTURE PHASES TBD

- Review progress of implementation and adoption targets – determine if additional policy settings are required

Policy / announcements | Government adoption | Business adoption | Adoption enablers

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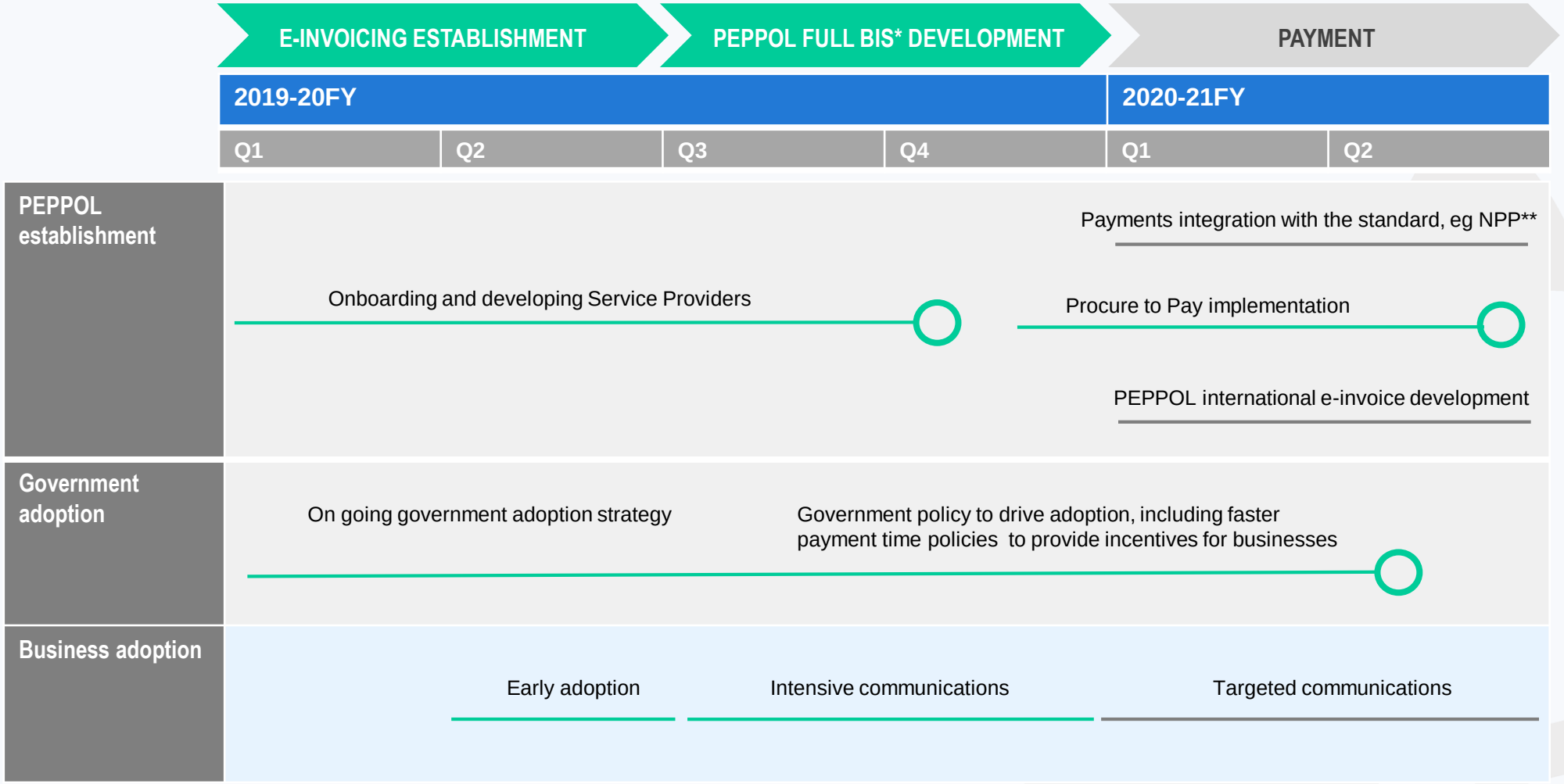
Next steps and future direction



Current project Future work

* Business Interoperability Specifications ** New payments platform