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Transforming business, making life simple

BER Einvoicing Paper Submission
February 2022

Introduction and Overview

TechnologyOne welcomes the opportunity to contribute to the policy consideration to accelerate deployment of einvoice capability across the Australian business and government community.

TechnologyOne has been and remains an active supporter of efforts to encourage the rollout of einvoicing. It is our conviction that this technology has the potential to deliver material benefits across the economy. This aligns with the core of TechnologyOne's business mission, to provide continuously improved and simplified business processes, delivering efficiencies and savings to our customers.

TechnologyOne prides itself on its 35-year history of unbroken investment in continually developing and delivering better and more efficient business information systems. This is underpinning by an annual reinvestment of about 20 percent of revenue into R&D and supports twice yearly major upgrade releases to our software, available to all customers.

The majority of the hundreds of upgrades and new features released every six months come directly from customer feedback. For example, in the latest release, 2022A, there are 468 upgrades, improvements and new features, 385 of which have come directly from customer feedback and suggestions. The majority of these are provided at no addition cost.

However, in our experience, even when enhancements and developments that provide clear and quantifiable business benefits and measurable efficiencies, made available at no additional cost, they are not universally immediately adopted.

With this experience in mind, TechnologyOne sees the accelerated adoption of einvoicing as an example of a situation where the potential benefits to individual businesses and for economy-wide productivity and efficiencies as justifing intervention to "help businesses to help themselves".

Following the successful mandated rollout of einvoicing to most Federal Government agencies, and the associated incentive for SMEs of guaranteed shortened payment times, it is timely to consider possible further stages of market intervention.

TechnologyOne supports in principle the proposal to introduce a business einvoicing right. This would create a stronger business case for smaller organisations to invest in einvoicing-capable finance systems.

The business case for investing in einvoicing is subject to network effects – the value of the capability becomes greater as more individual organisations join the network of capable agencies. If organisations have the certainty that an identifiable and increasing portion of their customer base is required to accept an einvoice, it will support the development of a business case showing a payback period on any necessary investment.

Selected Specific Questions and Responses

Q3. What key implementation challenges or issues would businesses face if the Government introduces a BER?

A key consideration would be to allow time for business readiness and adoption of eInvoicing capability within their ERPs, and potentially their provider may not provide eInvoicing capability.

ERP vendors have a roadmap for delivery of the full capability, however the timing of the release of the capability and any other prerequisites associated with deployment need consideration. For example, TechnologyOne customers who have fallen far behind the present software release may need to engage in a "catch-up" program in order to properly deploy einvoicing within the system and enjoy the full benefits of the capability.

Q6a. Should the Government create a public register of businesses covered by the BER?

Yes, to facilitate a streamlined process for business to identify those that are covered and support a business case development for those seeking to justify investment in einvoice capability. This could be a be tied to an existing business identification entity (i.e tied to the ABN record), rather than a separate register, for the purpose of minimising regulatory burden.

Ideally, being aware of the status of a business in the BER would allow for initiating of a request within the software for receiving of an eInvoice (ties into Q 14).

13a. What would be the appropriate implementation timeframes for the BER? 13b. How much advance notice would covered businesses need to be ready by their corresponding deadlines under the BER?

Current timeframes listed are likely to be too aggressive. At a minimum, TechnologyOne suggests a two year notice period, i.e July 2024, to start with a grace period of 12 months (similar to the rollout of Payment Times reporting).

Organisations with more up to date business intelligence system investments should be in a position to respond more quickly – and will have an incentive to do so – while those with larger investment required should be encouraged to use the einvoicing requirement to support a more comprehensive system modernisation.

14a. What should a valid request to receive Peppol eInvoices involve or include? 14b. What communication and record-keeping requirements would the BER require for covered businesses, particularly in relation to communicating requests to receive eInvoices?

At a minimum the recording of a request and date to support auditability on compliance. Per Q 6, the ability to retrieve the status of a business from a centralised BER should allow for this within modern financial system software (with development once available).

16. What key factors does the Government need to consider in relation to enabling Peppol compatible EDI networks?
&
18. What are the key business considerations and impacts relevant to expanding from eInvoicing to a broader integrated P2P process (such as Peppol P2P)?

Consideration should be given to the additional cost for businesses who never required an intermediary (i.e access point) previously. Alternatively, a simpler solution for the need for an access point could be separately considered.

Similar to Q3, for business not currently doing EDI across Procure to Pay, there is potentially significant additional cost, such as implementation required.

19. What are the barriers, if any, to businesses adopting more efficient and standardised P2P processes, including Peppol P2P?

A barrier will be that there are existing mature networks/standards in place (i.e. Health Industry uses GS1), which has a broader than just AU footprint (i.e. international adoption). Addressing these industry-specific alternative solutions will require consideration to avoid forcing duplication of systems – and the associated costs – on some sectors.

20a. Would broader adoption of Peppol P2P as a standard in Australia help businesses adopt more efficient and interoperable procurement processes?

Ultimately yes, but with due consideration to existing standards in place, the switching costs and other business implications.

20b. What different approaches are available that may also be appropriate for Australia?

Per Q 16/18, consideration of an alternate approach for getting existing customers access to access providers.

TechnologyOne has previously submitted that one policy approach to accelerate uptake is to consider how market signals can be communicated to businesses.

The "quick payment" assurance to SMEs sending einvoices to Government agencies is an example. It guarantees the efficiency savings enjoyed agencies receiving einvoices are shared with senders as quicker cashflow.

TechnologyOne last year submitted that the corollary to this is to create a price signal for those who are choosing not to avail themselves of these efficiencies, thereby sharing the cost of technology debt.

Government agencies have invested to support einvoicing. Those suppliers that do not invest in the capability to send einvoices create a cost for agencies that are required to maintain legacy capability and resources.

Over time, TechnologyOne believes it is appropriate that these cost signals are communicated in the form of administrative charges applicable to invoices not presented electronically on a partial cost-recovery basis. This should remain a consideration for the future.

21. What is the level of impact on business adoption that the integration of eInvoicing and payments would have?

Potentially high impact for some. Similar to Q3, needs to be sufficient time for software readiness, business implementation & adoption.

22. Given the market is currently working to deliver solutions that enable integrated eInvoicing and payments, what (if any) further action or intervention is required to address any current barriers to greater integration and help drive this process?

Continued close engagement with software providers and a clearer communication to organisations that the benefits of einvoicing require integrated solution in the business systems rather than "add on" approaches.

Contact

TechnologyOne would be pleased to discuss this submission further to engage in future e-Invoicing initiatives.

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