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12 August 2019

Mr Mark Stockwell  
Australian and New Zealand PEPPOL consultation  
Australian Taxation Office

[e-invoicing@ato.gov.au](mailto:e-invoicing@ato.gov.au)

Dear Mr Stockwell,

## Australia – New Zealand e-invoicing consultation paper

CPA Australia represents the diverse interests of more than 164,000 members working in 150 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest.

CPA is supportive of e-invoicing and the establishment of the Australian and New Zealand PEPPOL Authorities (the Authorities). The provision of support and guidance throughout the implementation process is critical to the success of the e-invoicing initiative where the Authorities play an important role.

However, the proposal to require Service Providers to report the number of e-invoices sent and received by each identifiable end user to the Authorities goes beyond the anticipated revisions to the OpenPEPPOL reporting protocols, and appears an unnecessary encroachment on business operations and data. Furthermore, the role and function of the Authorities are centred on standard-setting, governance and Service Provider compliance. They do not perform a strategy, monitoring or marketing role for e-invoicing products, nor do their responsibilities require the identification of specific end-users.

The reasons provided in the consultation paper to justify the collection of this information are limited, and can be achieved by other means. It should be noted that the private sector, specifically the Service Providers, have an interest in identifying and removing barriers, encouraging uptake of their products and retaining customers. As such, the market will achieve these outcomes without the need for government intervention or user monitoring.

The Authorities can gather business intelligence and identify industry issues through ongoing engagement with the Service Providers as well as through the reported aggregated data. Further, the value to the public of funding the resources required to collect, store, cleanse and analyse such extensive volumes of data on a monthly basis for activities peripheral to the core functions of the Authorities is questionable.

CPA Australia notes the analytical insight sought by the Authorities from the data is likely to be compromised by the variety of reasons why businesses change their invoicing patterns. This can include changes in corporate structures or contract terms, seasonal variations, stage of the business life cycle and business performance. The likelihood of changes being driven by e-invoicing practices is small compared to the impacts of the broader business environment on their operations.

The consultation paper also recognises the existing privacy legislation that relates to unincorporated entities. Including this reporting requirement places an additional burden on Service Providers and creates a barrier to usage for those businesses who do not wish for this data to be reported to a government authority. There is also no guidance on the obligations of Service Providers if an unincorporated entity does not give consent.

The collection of big data by government authorities, while often well-intentioned, raises broader issues about the use and application of the information by government. For example, could the e-invoicing data be used by the Australian Taxation Office to check against reported tax information or by the Australian Securities and Investment Commission to monitor corporate activity?

Therefore, we do not support the additional requirement on the basis that:

- there is limited benefit to end users and Service Providers
- the reporting burden and resource costs are not negligible, and
- the loss of privacy and lack of assurance with respect to the potential use of the data are topical concerns which may impact business uptake of e-invoicing.

With the benefits of e-invoicing to the economy being not insignificant<sup>1</sup>, disincentives to its adoption should be avoided.

Given the intention to shift towards globally managed aggregated reporting through OpenPEPPOL, CPA Australia recommends that the Australian and New Zealand Authorities align to, and do not exceed, the reporting requirements of the global framework.

If you have any queries do not hesitate to contact Gavan Ord, Manager Business and Investment Policy at CPA Australia on [gavan.ord@cpaaustralia.com.au](mailto:gavan.ord@cpaaustralia.com.au) or 03 9606 9695.

Yours sincerely



**Dr Gary Pflugrath CPA**

**Head of Policy and Advocacy  
CPA Australia**

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<sup>1</sup> e-Invoicing could result in benefits to the Australian economy of \$28 billion over ten years, according to estimates by Deloitte Access Economics. See <https://treasury.gov.au/consultation/e-invoicing>