



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

19 November 2018

Matthew Sedgwick  
Consumer and corporations Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [elnvoicing@treasury.gov.au](mailto:elnvoicing@treasury.gov.au)

*Matthew*  
Dear Sir

## **OPERATIONAL GOVERNANCE FOR TRANS-TASMAN E-INVOICING**

The governance and implementation of trans-Tasman e-invoicing requires cooperation and collaboration between industry and government. This success of collaboration is demonstrated by the many substantive achievements over the past four years of the Digital Business Council (DBC) reflecting its unique structure and membership. To move forward successfully and efficiently will require government to commit to support, rather than prescribe, building on this existing track record and good will.

The alternative, to commence with a brand new, untested, framework creates the risk of inadvertently disenfranchises current participants of the DBC who have invested their own time, intellectual expertise and financial resources.

### ***Legal personality***

We support formation of an incorporated, not for profit entity as the governance body with industry and government membership. The existing draft constitution for the DBC can be adapted for this entity.

### ***Government and Industry Participation in operational governance***

We recommend appointing an interim board of directors comprising government representatives from New Zealand, the Australian Tax Office and the Treasury together with independent and impartial industry leaders (currently members of the DBC including myself, Peter Strong, Matthew Addison and Emma Dodson).

The interim board will have responsibility for appointing the chief executive officer who, in consultation with the interim board, will form the ongoing board.

### ***Operational sustainability***

Accreditation of users in the system, management of the system, oversight of the open standard and ensuring it remains fit for purpose are the core responsibilities of the entity.

The Digital Capability Locator (DCL) is a core asset of the proposed operational governance entity and intellectual property in the DCL must immediately rest with the new entity. The ATO to have ongoing responsibility for housing and maintaining the DCL.

From commencement interim government funding will be required with the intent of the board of the governance body to develop and attain a self-funding model. User funding should be drawn from several activities rather than fixing charges against individual transactions. For example, a licence to be accredited to access the DCL, for users a fixed monthly charge similar to that levied by ISP or cloud based accounting providers.

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The monthly charge would align with the business size, or scaled based on a maximum number of monthly transactions, so that costs to small business are proportional, equitable and affordable.

### ***Towards successful trans-Tasman e-invoicing***

Operational sustainability will require take up across government and business. Key to being sustainable will be ensuring access to the framework for all businesses. The governance body will need to recognise that time-poor, cash strapped micro and small businesses will need support to purchase, implement and learn e-invoicing software.

To incentivise such an investment the cost to e-invoice must result in significant benefits. E-invoicing will reduce the administration burden but, in itself, will not guarantee faster payment times. This is where governments can set the example by implementing e-invoicing and offering faster payment times for suppliers opting to utilise the service.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6121 5312 or at [jill.lawrence@asbfeo.gov.au](mailto:jill.lawrence@asbfeo.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kate Carnell', written in a cursive style.

**Kate Carnell AO**  
Australian Small Business and Family Enterprise Ombudsman