

Submission template

Information for submitters

We welcome your written feedback. The deadline for submissions is **5:00pm on Friday 16 November 2018**.

Your submission may become publicly available information. For this reason, you should indicate clearly in your covering email if your comments are commercially sensitive or if, for some other reason, you do not consider that they should be disclosed. Any request for non-disclosure will be considered under relevant Official Information and/or Privacy legislation in the receiving jurisdiction.

We strongly prefer submissions using this template. Please open and save your own copy, make submissions on any of the proposals and email it to us at:

Australia: BRRSecretariat@ato.gov.au

New Zealand: e-Invoicing@nzbn.govt.nz

If you cannot use the template for any reason, you can email your responses to us. To help with our analysis, please clearly indicate which of the consultation questions your submission is responding to.

After the deadline has passed, we will analyse all submissions. The views expressed in the submissions will be considered when the final proposals are developed for and reviewed by the responsible Ministers.

Your name and details

Please type in your details in the table below. We suggest that you save a copy before emailing it to us.

Name of the person completing this submission	Ana Connor
Name of the organisation you represent	Foodstuffs South Island Ltd
If your organisation has an ABN or an NZBN, please enter your ABN or NZBN here	9429039459077
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Consultation questions

This submission template enables you to provide general feedback on the information in the October 2018 discussion paper *'Early thinking: Operational governance for trans-Tasman e-Invoicing'* and to answer specific consultation questions. Please type in your responses below each question.

QUESTION 1: Legal Considerations

What do you consider to be significant policy or legal barriers to the implementation of e-Invoicing in Australia and/or New Zealand (including nil confirmation)?

As an organisation that has conducted e-Invoicing since 1999 with key trading partners, the main legal impediments we have encountered are:

1. Definition of GST invoices in the IRD regulations requires clarification as to the status of human readable versions of a document (as opposed to the raw data file). Currently we treat these as “copies” and mark them as such when printing. Is a data file that has been presented in an easily readable format the same document or a copy of the document?
2. Each time we have changed or refined our business process or documents we have sought IRD approval for the changes. The situation for our business is more complicated than most as we have a charge through billing arrangement between Suppliers, Foodstuffs, and our co-operative Members / customers. Greater understanding of this structure within IRD and other Government parties would be helpful to improve and streamline our business processes further.

QUESTION 2: Legal personality, continuity and limited liability

What do you think would be the best legal structure for the operational governance body? Please explain your answer.

We would support the recommendation that the governing body operate on an incorporated basis. This essentially gives it a legal identity with the need to adopt a constitution outlining some basic rules of conduct – who belongs, how the organisation’s governors are appointed/elected etc. Incorporation would also entail some basic accountability mechanisms – the requirement to produce an annual report and financial statements etc.

The more difficult questions are “who gets to be represented”, how much does it cost to run and how will it be funded. GS1 and Internet NZ might be useful models here.

There is also an opportunity to investigate or consider if an existing body with appropriate focus and remit may be in a position to take on this governance role for e-invoicing.

QUESTION 3: Government and industry participation in operational governance

3(a) Beyond the initial establishment phase, who do you think should lead the operational governance of trans-Tasman e-Invoicing; what functions and roles should the operational governance arrangement include? Please explain your answer.

As noted above, there are already industry entities which operate in this space, namely GS1 and Internet NZ. We would be concerned about duplication of entities with similar or overlapping roles and remits, without consideration of how to bring these entities into the governance arrangements for this initiative. Whether this is industry-led or government-led, the following roles should be considered (examples are NZ based, but relevant Australian counterparts should be included also):

- Representation of existing standards bodies, such as GS1
- Representation of IRD and ATO – their regulations largely control what we can achieve
- Representation of interested business groups, such as NZICA, FGC, Business NZ, Payments NZ, etc.
- Representation of relevant technology groups such as Internet NZ and NZ Tech, etc.
- Representation of organisations with significant experience and investment in e-invoicing such as Foodstuffs, and major accounting systems companies.

We at Foodstuffs would be concerned if this is a largely government-driven initiative; there is considerable experience in both NZ and AU for e-invoicing, and the success or failure of this will be dependent on ensuring that existing investments and systems are supported. This will give the greatest uptake among businesses in our experience.

3(b) Do you see sufficient incentive in our proposal for you to consider participating in the operational governance body?

With twenty years' experience in e-invoicing and significant business investment in these systems, Foodstuffs would be interested in participating in the operational governance body.

QUESTION 4: Operational sustainability

How do you think the long-term sustainability of the operational governance of trans-Tasman e-Invoicing, with appropriate cost allocations, can best be assured; and what funding models do you suggest? Please explain your answer.

Cost allocation based on usage / benefit is ideal and spreads cost among those who gain greatest benefit. However, in our experience small businesses who could most benefit struggle to properly account for their own time spent in manual processing. This makes it a "hard sell" when they view their time as "free" compared with even a small per transaction charge for this type of system.

If representation on the Governance body is as suggested above, it may be more achievable to have the represented industry bodies contribute on behalf of their members, on the basis that the implementation of e-invoicing would be of general member benefit.

Alternatively, a hybrid model may work, whereby individual companies using the system gain a transaction discount via their membership of a represented body, which also contributes to part of the cost on behalf of all members.

QUESTION 5: A preferred option

Do you have any additional comments or information to help us with reviewing and further developing our early thinking and conclusions about a preferred option for operational governance of trans-Tasman e-Invoicing? If so, please provide your comments here and/or direct us to the additional information you would like us to consider.

While we applaud the governments of New Zealand and Australia for beginning work in this area, it seems from the discussion paper that there is limited knowledge within the working group about existing e-invoice systems operating in the AU/NZ context. As an organisation which has been operating in this space for twenty years, processing millions of transactions every year, we would welcome the opportunity to share our experience and knowledge gained (including lessons learned and existing barriers to entry for businesses). Please contact me for further information.
