



THE LAW SOCIETY  
OF NEW SOUTH WALES

Our ref: BLC:JWib11835308

15 January 2021

Data Economy Unit  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [e-Invoicing@treasury.gov.au](mailto:e-Invoicing@treasury.gov.au)

Dear Mr Sedgwick,

### **Options for mandatory adoption of electronic invoicing by businesses**

The Law Society of NSW appreciates the opportunity to comment on the Treasury's Consultation Paper on "Options for mandatory adoption of electronic invoicing by businesses". The Law Society's Business Law Committee contributed to this submission.

#### **General comments**

The Law Society applauds the Government's recognition of the important role of digital technologies in driving productivity growth and supporting Australia's recovery from the impacts of COVID-19.

We consider, however, for the reasons outlined below, that it is not appropriate for the Government to mandate the adoption of the Pan-European Public Procurement Online (Peppol) framework for e-Invoicing, or to mandate e-Invoicing in any form. Rather, e-Invoicing should remain at the discretion of businesses, who are best able to determine, based on their size and function, the most appropriate and cost-effective invoicing arrangements for their organisation.

#### **Cost-effectiveness**

Our primary concern is that mandating e-Invoicing would impose an undue regulatory burden on small businesses, and micro-businesses in particular. These businesses may not generate a sufficient volume of invoices or use financial software and systems to enable them to gain a positive return from investing in e-Invoicing. For such businesses, e-Invoicing is neither the most efficient nor cost-effective means by which the business can issue or receive invoices.

A significant proportion of Australian industries, including the trade and hospitality sectors, continue to rely on physical invoices, which are simpler to execute. Common examples include a tradesperson providing a quote, for instance, to construct a fence or fix plumbing in a house. It may not be cost-effective nor efficient for those businesses creating on-site quotes to rely on an electronic device to generate and issue an invoice.

While the Law Society does not support the introduction of mandatory e-Invoicing in any form, we support the suggestion that the private sector and Commonwealth Government agencies could work with the Australian Peppol Authority to promote the benefits of Peppol e-Invoicing to businesses. As noted in the Consultation Paper, this could include agencies and business informing their suppliers that they are e-Invoicing enabled. For government agencies, they could promote the Government's 5-day payment time for invoices issued using Peppol e-Invoicing.<sup>1</sup> This would enable relevant businesses to make an informed choice about adoption of e-Invoicing.

### **e-Invoicing and payment times**

If the Government mandates the adoption of e-Invoicing for businesses, we do not consider that it would necessarily result in a reduction in payment times. The existing data cited in the Consultation Paper<sup>2</sup> would appear to indicate that large organisations, some of which may already use e-Invoicing, still make late payments, as organisations make late payments for many reasons, not only as a result of inefficient processes.

If you have any questions about this submission, please contact Liza Booth, Principal Policy Lawyer, at [REDACTED] or on [REDACTED].

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'JRW', followed by a horizontal line extending to the right.

Juliana Warner  
**President**

---

<sup>1</sup> Australian Government, The Treasury, *Options for mandatory adoption of electronic invoicing by businesses*, November 2020,15.

<sup>2</sup> Ibid 17.