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Data Economic Unit

Consumer Data Right Division

The Treasury

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PARKES ACT 2600

Submitted via email: eInvoicing@treasury.gov.au

Supporting business adoption of electronic invoicing

AGL Energy (AGL) welcomes the opportunity to provide feedback to the Treasury's Consultation Paper on Supporting business adopting of electronic invoicing, dated 15 December 2021.

AGL is one of Australia's largest energy-led multi-service retailers, providing over 4.2 million electricity, gas and telco services to residential, small, and large businesses, and wholesale customers. As one of Australia's largest providers of essential services, AGL issues millions of invoices annually to its customers as part of its retail function and is responsible for invoicing contractors who purchase AGL's sustainable business energy solutions, including our solar and battery products and services.

Energy bills for the sale and supply of electricity and/or gas arise from a unique relationship between an energy retailer and its customers through the operation of complex regulatory frameworks including the National Energy Retail Laws and Rules, jurisdictional arrangements under the Victorian Electricity and Gas Industry Acts, Energy Retail Code of Victoria, and the Western Australian obligations. Residential and small-to-medium business customers are most commonly contracted under retailers' standard form *Market Retail Contracts* or regulated *Standard Retail Contracts*. Energy bills issued in accordance with these contracts are business-to-consumer invoices and clearly fall outside of the scope of the Treasury's Peppol e-Invoicing initiative.

AGL and other energy retailers also sell gas and electricity to other large business customers such as energy-intensive manufacturing industries and companies with multiple sites under an aggregated multi-site agreement. Due to the operational demands of large and complex business customers, AGL offers tailored arrangements and bespoke contracts for commercial and industrial businesses. Notwithstanding the contractual nature of these arrangements, large business customers still purchase energy from AGL in their capacity as energy consumers therefore, AGL's obligations as an essential service provider prevail.

To that extent, the essential services industries in Australia are generally not compatible with Peppol e-Invoicing at this time. It is critical that the Treasury explicitly excludes from scope all energy invoices issued as part of the sale and supply of gas and/or electricity, including to other large business consumers.

If another entity covered by the legislative scope attempts to exercise its 'Business e-Invoicing Right' against AGL, the Treasury will have created a conflict between AGL's legal obligations to issue a Peppol-compliant invoice and AGL's legal, regulatory, contractual, and licensing requirements to comply with obligations as a



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provider of essential services, including the obligation to issue a bill through post or email and to include the prescribed bill elements within the invoice.

AGL has previously expressed to the Treasury that compliance with Peppol electronic invoicing standards will conflict with AGL's obligations as a provider of essential services. AGL has raised these concerns with the Australian Energy Regulator. We have also raised concerns how the current energy billing regime including the recent Better Bills Guideline consultation¹ risks leaving the energy industry with outdated and antiquated invoicing arrangements if it does not allow participants to adapt to new technologies and evolving consumer preference.

However, at this time, these and other issues relating to energy bill content requirements and delivery methods remain unresolved. We encourage the Treasury to continue its dialogue with energy policymakers and regulators to explore ways to drive the adoption of digital technologies and innovative billing solutions across the utilities, including overcoming the inconsistencies between energy regulations and Peppol e-Invoicing.

Implementation Timeframe

The Treasury is targeting large businesses to lead the way in Peppol e-Invoice adoption by proposing a commencement date of 1 July 2023, noting that large businesses can "more readily source technology and training services from third parties".² However, large businesses also have complex structures, business entities and corporate accounts. Widespread business transitions of this scale require a substantial expenditure of time and effort to operationalise to account for:

- Time engaging third party contractors to develop and provide e-Invoicing solutions.
- Implementation across the business structure and corporate accounts.
- Staff training and education.

AGL recommends an implementation period of at least 18 months from the time the Treasury publishes its final decision.

If you would like to discuss any aspect of AGL's submission, please contact Valeriya Kalpakidis at vkalpakidis@agl.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Con Hristodoulidis'.

Con Hristodoulidis

Senior Manager Regulatory Strategy

AGL Energy

¹ For further information on the proposed changes to electricity and gas invoices in the National Energy Customer Framework see the [Australian Energy Regulator's draft Better Bills Guideline consultation](#).

² The Treasury, *Supporting business adoption of electronic invoicing*, Consultation Paper, December 2021.