Xero Submission

Statutory Review of the Payment Times Reporting Framework Act 2020

1 March 2023

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Payment Times Reporting Act Review Secretariat
Treasury
Langton Cres
Parkes ACT 2600

By email: PaymentTimesReview@treasury.gov.au

Dear Payment Times Reporting Act Review Secretariat,

Xero submission to the Statutory Review of the Payment Times Reporting Framework Act 2020

Thank you for the opportunity to submit feedback to the Statutory Review (the Review) of the Payment Times Reporting Framework (PTRF), including the broad terms of reference. It is critical the Government and industry has an accurate understanding of the payment behaviour from big business to its small business suppliers.

Xero is Australia's leading provider of cloud accounting software for small businesses, existing to make life easier for our customers. Our software makes running a business simple, using technology to streamline previously manual tasks including invoicing, quoting, reconciling transactions, paying employees, expense management, project management and complying with Australian Taxation Office (ATO) obligations, among others. For tasks outside our core offering, Xero's ecosystem of over 1,000 cloud-based applications connects businesses with the digital tools to optimise their operations. These apps for example allow a business to connect point of sale software, simplify invoice payment, forecast cash flow and optimise inventory management. Today, Xero is an ASX50 company with 1.5 million small business customers in Australia, and over 3.5 million small business customers globally.

Xero provides feedback to the Review based on our experience as a technology company solving problems for small businesses including invoicing and eInvoicing, and a business required to submit payment information to the PTRF. We also provide feedback from members of the Xero Partner Advisory Council (XPAC) to give the small business perspective of supplying to big businesses.

Xero welcomes the opportunity to provide feedback on the PTRF and small business payment times. We welcome any further engagement on this critical small business topic. Should you wish to discuss our submission further please contact Xero's Head of Government Experience Angus Capel at angus.capel@xero.com.

Yours sincerely,

Joseph Lyons
Xero Managing Director - APAC

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Executive summary

It was hoped the introduction of the PTRF on 1 January 2021 would drive down payment times from big businesses to small business suppliers. Unfortunately, the additional transparency has not had its desired effect. In 2021 the average small business invoice was paid 6.4 days late, with 48 percent of all invoices being paid late. Late payments cost small businesses $1.1 billion per year. Despite numerous initiatives to drive down small business payment times, big businesses continue to pay their small business suppliers late.

Through XPAC, we learn of increasing obligations and controls big businesses apply to small suppliers. Some examples of obligations and controls include a requirement to upload invoices to a specific portal (possibly in a specified font and colour), outsourcing data entry workload to suppliers by requiring granular information on invoices and withholding payments to suppliers until the client pays the big business, or paying at a discount within 30 days. These activities are egregious and unfair, and don't guarantee payment within invoice terms. It is critical more is done to address this problem which can mean the difference between small businesses staying in business or becoming insolvent.

With appropriate rates of adoption, eInvoicing has the potential to improve Australia's invoicing infrastructure. Exchanging invoices directly from the software of the seller to the software of the buyer removes the possibility of lost invoices or invoices going to the wrong place. This technology is available and operational today as part of small businesses' existing accounting software. Driving adoption of eInvoicing to Government and big business will remove all excuses for late payments to small business suppliers.

Adoption of eInvoicing requires Government and industry to work together. Significant goodwill exists from big and small suppliers for eInvoicing success. However, industry needs an adoption target to aspire to, and a policy to motivate big businesses to move away from cumbersome yet well established accounts payable processes. Xero is confident that if an adoption target were stipulated by the Government, industry and the Government could codesign a policy resulting in increased adoption in line with Peppol-enabled international peers. Increased eInvoicing adoption will also shine a light on the truly unscrupulous big businesses.

Xero supports big business payment terms exceeding 30 days to small business suppliers to be deemed an unfair contract term. Combined with strong eInvoicing adoption, mandated maximum payment terms is the final step before the Government must consider automatic remittance of interest on late payments, should late payments remain elevated. While a significant intervention, with the appropriate infrastructure, definitions and limited exemptions in place, we are supportive of late payments by big businesses being treated as an offence.

Xero welcomes the opportunity to provide feedback to the Review. It is a critical time to be having this conversation and considering what more can be done as the economy cools and inflation continues to put pressure on small businesses. It is paramount that cash flow pressure is not forced down supply chains. We strongly urge the Government to take strong and decisive action to continue addressing the problem of late payments which have plagued Australia's small businesses for too long.

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Introduction

Xero has provided feedback to the Review from the perspective of a software provider offering small business customers technology solutions to problems, including getting paid. XPAC on the other hand has provided feedback to questions from the perspective of small business' clients expert advisers. The two views are independent of each other but demonstrate interrelation, with the delineation of perspectives documented clearly in the submission.

Question 1: How important are payment terms and practices to small businesses when considering a supply contract with a large business or government enterprise? Has their relative importance changed over time?

The XPAC view:

Government and big business payment terms and times are critical drivers for small businesses when considering becoming a supplier. However, shortening payment terms from Governments to small business suppliers does not influence payment administration requirements, nor has it "fixed" late payments.

In fact, clients of XPAC members have invoices outstanding from State and Federal Government customers in excess of 90 days, with invoices for more than $100,000.

In addition, projects clients are invoicing for are fixed fee contracts paid at specific milestones. However, these projects still require an invoice and supporting documentation to the government client that breaks down – completely – all the costs incurred on the project to the invoice date. To satisfy these requirements, data is required from subcontractors as well as employee timesheets for example.

This creates a cumbersome invoice lodgement and project management process.

Question 2: What factors are driving current and emerging trends in payment terms and practices?

In Xero's view, eInvoicing is the most significant trend and opportunity in the payment times policy area. However, despite availability within accounting software today, uptake is low as noted in the Review consultation paper. Xero research suggests the low adoption is due to low awareness, underappreciation compared to traditional invoicing and a lack of businesses to send and receive eInvoices from[1]. We also note that big business has very varied payment terms and there is often an inconsistency between the timeframes they require to receive their *own* payments compared to how and when they will pay a supplier for goods or services. It would be very helpful for small businesses to work to a consistent and balanced payment window.

Question 2 part 2: How do they affect large businesses, small businesses, and the economy?

Xero's Small Business Insights data for December 2022 and January 2023 is showing an uptick in payment times and late payments. For a 30 day invoice, the average payment time increased 0.6 days in January 2023 to 23.8 days which is the longest time to be paid since September 2020. For invoices paid late, the average late payment increased substantially by 1.2 days to 7.7 days which is the highest since July 2020. Xero is watching this dataset very closely to watch for signs of any prolonged slowing velocity of capital .

[1]https://www.xero.com/au/media-releases/einvoicing-week-survey-2022/

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The XPAC view:

We are seeing larger businesses imposing “systems” on smaller businesses to facilitate the invoice processing (as opposed to the payment processing). In effect, large businesses are outsourcing the accounts payable management processes directly to suppliers.

Suppliers are often required to log into clients’ systems to upload invoices with specific information in a specific format. These systems allow big businesses to demand supporting information with the impost being entirely the responsibility of the supplier. If the small business supplier does not follow the big business accounts payable process, the big business may delay payment. A small business has no leverage, or ability to use eInvoicing as it is not supported by the big business in the majority of instances.

For a small business working with a cohort of larger businesses, each with a specific accounts payable process that must be followed, the burden becomes significant. The time and cost burden for these “white tape” compliance activities is incurred entirely by the small business, with no ability to recoup the costs from the big business customer. There is no tangible evidence that involving the supplier in the accounts payables process to this extent has shortened any of the payment times back to suppliers.

Question 3: What is a ‘reasonable’ timeframe in which small businesses should be paid? Should ‘reasonable’ vary between different industries or sectors?

Globally, Xero aims to pay invoices from small business suppliers within 10 business days of receiving a valid invoice. The invoice is required to include the correct Xero purchase order number, be for under $1 million, be addressed correctly and be submitted to the correct email address. In the most recent PTRF report, Xero paid 84.1 percent of invoices within 20 days, 14.4 percent between 21 and 30 days and 1.5 percent over 30 days by value. As eInvoicing gains momentum we hope to improve on these times.

It is Xero’s view that the technology sector should be leaders when it comes to paying small business suppliers quickly. There is no excuse for pushing complexity onto small business suppliers or late payments in the technology sector, which exists wholly to solve problems with technology.

In our view 30 days should be the absolute maximum for the technology sector, and we would like to see more businesses commit to 10 business days - or less - like Xero.

The XPAC view:

While “reasonable” is subjective, 30 day payment terms should be a maximum.

One of the challenges small business advisers often see is the impact delays in payments from larger businesses have on cash flow, particularly in the construction industry. Smaller businesses are disproportionately affected, lacking the weight or ability to strategically deal with delayed or slow payers. One of the only ways for a small business to manage long payment terms or late payments is delaying payments to their own suppliers, setting off a chain reaction of late payment.

One of the construction drivers XPAC is aware of is some construction business’s internal policies that state payment will not be made to suppliers or subcontractors until the head contractor has been paid by its client.

XPAC is increasingly seeing big businesses using accounts receivable processes as the trigger to pay suppliers. This behaviour is not necessarily cash flow driven. XPAC have experienced businesses with large cash reserves withhold payments to their suppliers for in excess of 6 months, due to the fact the project being undertaken has not yet been

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paid for.

Advisers find this behaviour extremely unethical and question its legality. Payment from a big business's client should not remove the responsibility or obligation to pay invoices of suppliers in a timely way.

Question 4: Having regard to the goal of the Review and the three principles, how effectively is the operation of the Act meeting the objects set out in Box 2?

Incentivises improved payment terms & times and disincentivises bad behaviour

Xero reduced its payment terms for small business suppliers to 10 business days during the pandemic. This action was as a result of being a good corporate citizen during a time of economic hardship. Besides our compliance obligation, the PTRF has not resulted in any changed behaviour from Xero.

Imposes proportionate regulatory burden

Arranging data to comply with our reporting obligations was initially arduous. It required combining data from the system our invoices are received into with the payments system where the information sits which reports dates the invoice was received and paid. The small business identification tool was very good and quick to use.

Now setup has been managed, data requires around half a day of cleaning and formatting before a simple upload. This is an entirely manageable process now the initial work has been completed.

Is accessible and useful

Better transparency of big business's payment behaviour is an inherent positive for the economy and community. However, in Xero's view the primary utility of the PTRF is providing policy makers and associated stakeholders with data on which to base payment times policy decisions.

Transparency on its own however appears unsuccessful in changing the payment behaviour of big businesses to small business suppliers.

The XPAC view:

Most small businesses don't know about the PTRF. From the feedback of those that do, they don't see the value of a transparency register. To the contrary, they see it as a toothless tiger, providing no real advantages or benefits. In some instances there is a perception the register may indeed attract additional administrative requirements for a small business with big business customers.

Question 5: What, if any, changes should be made to the existing Scheme to improve its efficiency and effectiveness in meeting the objects set out in Box 2?

Xero believes the PTRF should not be considered an initiative to address payment times in and of itself. Instead, the PTRF should be viewed as the source of truth of big business payment behaviour. This data has the power to inform other late payments policy proposals which have the potential to more effectively address payment times problems.

In Xero's view, exploring greater visibility of transparency via sharing information via API into small business's natural business systems is misplaced effort. Without government intervention to change behaviour from big business, small business will not have the power required to affect change without damaging the relationship (perceived or real) with big business customers. Government efforts are best spent developing a policy framework to address late payments, which is a problem that small businesses have had to suffer for far too long.

The XPAC view:

XPAC believes there needs to be an easy mechanism for small businesses to deal with slow payers. Currently it is a formal debt collection action. When looking to use this action with a larger organisation, it often becomes a cost prohibitive and convoluted process. Fighting big corporations is hard.

XPAC believes there needs to be more punitive action for businesses that have a history of late payments. Often this has been brushed aside as "we can't do that because it's a cash flow issue".

There will be businesses that do live hand to mouth from a cash flow perspective. If this is the case a question exists whether these businesses should be operating. If the friction of "we can't pay you because we haven't been paid and don't have the cash" can be removed, that then means businesses can no longer hide insolvency (construction industry is a serial offender).

Question 6: What are the main questions the Scheme's data should be able to answer about payment terms and practices?

In Xero's view, the below information should be included in the data reported on the PTRF:

- All data should be able to be broken down by industry
- Changes to big business payment terms/times over time
- Changes to big business payment terms/times by industry
- Proportion of big business offering invoice factoring
- Proportion of suppliers utilising invoice factoring
- Proportion of big business eInvoicing enabled
- Number of small business suppliers sending eInvoices
- Proportion of eInvoices received as total invoices from smallbiz suppliers
- Payment terms/times of eInvoices

The XPAC view:

Cost of the impost on smaller businesses to interface with the larger businesses to facilitate streamlined payment terms (as per question 2).

Question 7: Are the Regulator's powers and approach to compliance and enforcement effective and fit-for-purpose?

Question 8: Excluding the Payment Times Reporting Scheme, to what extent have, or will, related Government policies improve payment terms and practices for small businesses?

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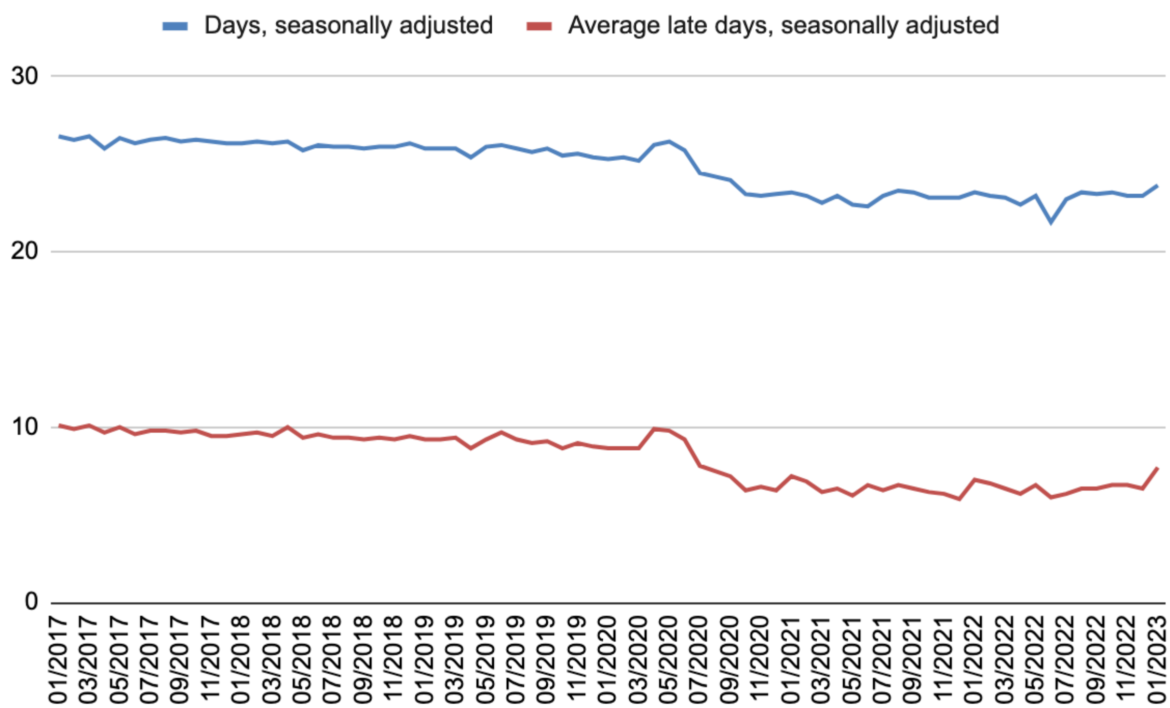
Xero's Small Business Insights data shows both average payment times for a 30 day invoice, and average late payment on a 30 day invoice trending down since the data series began in January 2017 and is current as at January 2023, as illustrated below.



In November 2017 the Federal Government responded to the then ASBFEO Kate Carnell's Payment Times and Practices Inquiry[2], the Government:

- adopted 20 day calendar day payment terms for Federal Government supplier invoices up to $1 million from 1 July 2019,
- mandated Federal Government entities report payment times against the current policy, from 1 July 2018, and
- supported the adoption of technology solutions, including eInvoicing, referencing the Government's study of eInvoicing announced in the 2016-17 Budget.

In November 2018, the Government took further steps[3]:

- Announced the introduction of the PTRF with effect from 1 January 2021,

- Announced the requirement for businesses with over $100 million in revenue bidding for Government contracts over $4 million to match the Government's 20 day payment policy from 1 October 2021, and

- Put payment times on the COAG agenda, resulting in state and territory governments committing to 20 day payment terms for government supplier invoices up to $1 million.

[2]https://treasury.gov.au/sites/default/files/2019-03/Government_Response_-_Payment_Times.pdf
[3]https://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/6347404/upload_binary/6347404.pdf;fileType=application/pdf#search=%22payment%20%20%20cash,%20sen%20michaelia%22

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In November 2019, the Federal Government announced it would pay eInvoices within 5 days or pay interest for contracts up to $1 million from 1 January 2020[4]. On 1 July 2022, the $1 million threshold was removed, resulting in all eInvoices being paid within 5 days, or interest will be applied[5].

Based on XSBI data, the suite of Government policies have coincided with downwards trending payment times. However, the flat to slightly upwards trend of payment times from pandemic lows are of concern. Xero strongly believes adoption of technology, in particular eInvoicing as flagged in the ASBFEO's 2017 Payment Times Inquiry, is the first step to fix payment times.

Question 8 part 2: Would a substantial increase in eInvoicing materially help reduce payment times?

Government action to increase levels of eInvoicing adoption has shown to reduce payment times by seven days per invoice[6] and result in a $28 billion productivity boost over 10 years.

eInvoicing is the exchange of business to business (b2b) invoices over an encrypted network directly from the software of the seller to the software of the purchaser. eInvoicing is available for use today, included as a standard package inclusion from major accounting software providers including Xero, among others. This technology supersedes hard copies of invoices (paper), emailed invoices and invoices uploaded into customer portals, due to reduced administration, improved security and faster payment. While the economic benefit of eInvoicing is estimated to be $28 billion over ten years[7] Xero firmly believes government action is required to increase adoption, and unlock this gain in full.

The $28 billion estimate is made based on the calculation of reduced aggregate invoice processing time[8]. It is estimated a paper invoice costs a business $31 to process and a PDF invoice $28 to process, compared to just $9 for an eInvoice. Extrapolated out to Australia's 1.2 billion invoices sent annually, the saving is material. SAP research suggests savings for individual small businesses moving from paper invoices to eInvoices could be as much as $40,000 per year. However, in Xero's view, this $28 billion in savings is not the full saving.

Two important components do not appear to be included in the $28 billion saving over ten years estimate.

Firstly, it is estimated eInvoices sees sellers paid up to seven days faster when compared to traditional invoicing[9]. Secondly, the encrypted exchange of invoices over the eInvoicing network is expected to vastly complicate nefarious actors engaging in payment redirection scams. The ACCC estimates redirection scams cost businesses $227 million in 2021 alone, which is a 77 percent increase on the year prior.

Despite broad based industry goodwill, the significant benefits to small business of eInvoicing, and around $20 million of public funding, adoption among Australia's small businesses is low, at around 1 percent of all businesses. Xero's research suggests the primary reasons for low adoption is a lack of awareness, misunderstanding of the benefits of eInvoicing compared to emailed invoices, and critically; a lack of other businesses to send and receive eInvoices to and from. As a major provider of eInvoicing capability, Xero can see the level of eInvoicing adoption is currently inadequate to achieve the network effect required to drive sustainable adoption and reduce payment times across the economy.

Today, the ATO is Australia's Peppol Authority and has responsibility for developing and administering the Peppol framework in Australia. The two policy proposals led and consulted upon by the Treasury to increase the adoption of eInvoicing do not appear to be proceeding. While industry stakeholders are doing what is possible to drive the

[4]https://www.financeminister.gov.au/media-release/2019/11/07/government-pay-e-invoices-within-five-days
[5]https://www.finance.gov.au/publications/resource-management-guides/supplier-pay-time-or-pay-interest-policy-rmg-417/part-1-policy-and-practice
[6]https://www2.deloitte.com/content/dam/Deloitte/au/Documents/tax/deloitte-au-tax-insights-5-e-invoicing-310321.pdf
[7]https://treasury.gov.au/consultation/e-invoicing
[8]https://www2.deloitte.com/au/en/blog/tax-blog/2022/e-invoicing-transforming-way-invoices-processed-paid.html
[9]https://www2.deloitte.com/content/dam/Deloitte/au/Documents/tax/deloitte-au-tax-insights-5-e-invoicing-310321.pdf

initiative forward, without a policy and partnership with government frustration is emerging, as the adoption trajectory stays decidedly lower than countries which have taken a deliberate and determined approach.

Xero respectfully submits the Government capitalise on industry goodwill and expertise to codesign an eInvoicing policy before wider industry consultation, designed to increase adoption and lower payment times for small businesses.

However, before attempting to design a policy, stakeholders and policymakers will benefit from a target to reach for. In Xero's view the previous eInvoicing policy consultations would have led to significant adoption, moving towards a mandate. However, a mandate requires significant dedication which was not present from the last Government. If the adoption target is more modest (under 50 percent) a combination of less significant changes are required to achieve success.

As such, Xero suggests the following steps are required from industry and the Government:

1. Government to define an eInvoicing adoption target

2. Government commitment to working with industry to codesign a policy geared to hitting the eInvoicing adoption target

3. Government to consider adopting policy following appropriate industry consultation

Question 9: What are the disincentives for large business to offer improved payment terms and practices to small business suppliers?

In Xero's view, the predominant reason for late payments is complicated internal processes. Firstly, this might see a small business have to navigate a complicated on-boarding process to satisfy a big business's risk and reporting obligations, slowing down payment of the initial work provided. Secondly are complicated processes for payment of recurring invoices, including lodgment on a portal as mentioned above, or internal confusion about how to appropriately pay the invoice. To be clear, Xero is of the strong view that convoluted processes, legacy systems and human confusion is no excuse for paying small business suppliers slowly.

The second reason for late payments is in some cases, egregious behaviour deployed to deliberately pay small businesses slowly or to deprioritise them against other large business who have greater bargaining power. This behaviour takes many forms which small business industry groups and representatives are better placed to outline. In Xero's view, stopping unfair conduct and potential abuse of market power should be a priority of the Review, and warrants further consideration should be given to mandating payment terms in the near future.

Question 9 part 2: Are there other ways to more effectively incentivise improved payment terms and practices?

Before incentives and penalties are considered, an efficient invoicing system needs to be implemented. Xero strongly believes eInvoicing is this system, which has the potential to vastly improve the process of sending and receiving invoices. eInvoicing also has the potential to manage the amount of white tape applied to small business suppliers doing business with big customers by controlling minimum required information for an invoice to be paid. It would also apply a more consistent, streamlined and fair standard across industries.;Without this infrastructure in place the potential for payment times improvements is limited to the potential of the current (suboptimal) system.

Question 10: Would mandating one or more maximum payment periods for the payment of small business invoices by reporting entities be more effective in improving payment terms and practices?

In Xero's view, mandating payment terms would almost definitely improve the payment terms of reporting entities and should be considered for introduction. However, as per the answer to Question 9 part 2, payment times are unlikely to improve until the underlying invoicing infrastructure is improved. The current process is riddled with complexity and obligations for suppliers which need to be streamlined (removed) before payment times improvements are possible.

Adoption of eInvoicing reduces complicated processes as a reason for late payments. In Xero's view, once eInvoicing adoption reaches a satisfactory level, there will be few justifiable reasons for a late payment. Once an appropriate level of eInvoicing adoption is achieved, the next step from mandated terms is automatic remittance of interest on all late payments to small business suppliers as per the Government's Supplier Pay On-Time or Pay Interest Policy, which Xero considers would be an entirely appropriate next step. Working with industry to codesign a policy to underpin adoption of eInvoicing is of critical importance.

Question 10 part 2: How should a mandatory maximum payment period(s) best be designed and implemented?

In Xero's view the maximum payment periods could be incorporated into the current Unfair Contract Terms (UCT) regime as set out in the *Competition and Consumer Act 2010* (CCA). The. We note there are significant changes to the UCT laws coming into effect in November 2023 which would broaden the scope and definition of small businesses and also the penalties that can apply for non-compliance. Including the maximum payment periods as an unfair contracts provision could provide a meaningful deterrent for big business to ensure their contracts and invoices stipulate the appropriate 30 day length for payments to small businesses. It also empowers small businesses to challenge a longer payment period on the basis that it would be void under the UCT laws.

However, we understand that the penalties and enforcement of those clauses may be more limited and small businesses may be reluctant to raise those complaints through an official ACCC or Court process, which are often time consuming and costly. This may especially be the case if the payment term is the only clause that may be considered a UCT. An alternative may be the establishment of a more robust Payments Code and the ability for small businesses to issue relatively informal disputes processes to raise concerns about these payment clauses or unnecessarily onerous accounts payable processes. As with other industry Codes overseen by divisions of the ACCC - the resolution of those complaints would need to be relatively streamlined to encourage small businesses to raise concerns about late payments.

Question 11: What other measures could be considered to improve payment terms and practices of reporting entities in relation to their small business suppliers?

See answer to Question 8 part 2.

Question 12: What international approaches to improving payment terms and practices for small businesses, including lessons learnt, should be considered in the Australian context?

As mentioned above, Xero considers eInvoicing adoption as the primary lever to drive down payment times in Australia. International eInvoicing experiences shows three primary models to drive adoption; incentives, part mandates and full mandates. In addition, Xero proposes an additional model which comprises the Government showing strong leadership. Which model is most appropriate will be determined by the sought rates of adoption.

Singapore is a leader in driving rapid adoption of eInvoicing due to a variety of incentives offered to businesses. Firstly, the Singapore government attached a requirement for businesses to register for eInvoicing to receive Covid support. Secondly, it encouraged businesses to adopt and use eInvoices by offering a monetary incentive at certain eInvoicing thresholds. Thirdly, it stipulates a minimum amount of information required to be included on an invoice for it to be valid, and hence paid. And finally, it requires eInvoicing registration and use to qualify for digitisation grants programs. In its first year of Peppol operation in 2019, Singapore achieved an eInvoicing adoption rate of 21 percent.

Both Singapore and New Zealand governments plan to consult on methods to increase eInvoicing adoption through part mandates. Specifically, both economies intend to receive stakeholder feedback about mandating suppliers to Government to submit eInvoices for the provision of goods and services. This approach is one that has been adopted

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by several countries in the EU, with eInvoicing adoption rates falling between 15 and 40 percent[10]. It is reasonable to expect similar adoption rates in New Zealand and Singapore should a part mandate be adopted, and for Australia should it follow a similar path.

The lesser known eInvoicing model to drive adoption is determined Government eInvoicing leadership. Firstly, this would see Government agencies sending bills to businesses offer the option of receiving the bill as an eInvoice. Receiving invoices directly into software as opposed to manual portal download processes from agencies with many small business touchpoints (for example ASIC, the ATO or state transport licensing authorities) would drive significant adoption. Secondly, the model would see all Government entities at every level of government paying every eInvoice in 5 days or less, which would be a significant improvement on current capability. This model also allows the Government to demonstrate confidence in an initiative reasonably new to Australian businesses.

The final opportunity to drive the benefits of eInvoicing is a full mandate. While often for tax integrity as opposed to payment times, countries which have taken this approach have seen up to nearly complete adoption, with 99 percent in Korea[11].

Xero strongly encourages the Government to set a target for eInvoicing adoption. With a target to design to, stakeholders will be equipped with the information they need to codesign a right-sized policy with the Government to achieve eInvoicing success

Conclusion

Xero thanks the Secretariat for the opportunity to provide feedback to the Review. In our view, it is imperative the Government takes steps to address the continuing scourge of late payments which Australia's small businesses have been forced to endure for too long. We welcome any further chance to discuss Xero's submission.

[10] https://www.ecb.europa.eu/paym/intro/mip-online/2016/html/mip_qr_1_article_4_e-invoicing.en.html
[11] http://documents1.worldbank.org/curated/en/712881467994710005/pdf/WPS7592.pdf

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