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Data Economy Unit
The Treasury
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PARKES ACT 2600

Submitted via email: e-invoicing@treasury.gov.au

Consultation on electronic invoicing (e-invoicing)

Origin Energy Limited (Origin) welcomes the opportunity to submit feedback on the Treasury's options for mandatory adoption of e-invoicing by businesses.

Origin is the largest energy retailer in Australia with over 4 million customers and one of Australia's largest electricity generators, gas suppliers, LNG exporters and renewable energy companies. Across our various activities, we interact with ~2,700 suppliers and pay ~120,000 invoices per annum. Currently ~95% of our suppliers and ~99% of our invoice payments are to Australian businesses (i.e. businesses with a registered ABN).

We recognise that the accelerated global shift to a digital economy can benefit many aspects of our procurement and contract management activity. We support the progressive shift to advanced levels of integrated digital engagement with our suppliers where e-invoicing capability makes it easier to do business and pay invoices efficiently and quickly, reducing time and cost for all parties. Our submission is intended to support the Government's consideration of the implementation options for e-invoicing in the private sector.

Origin acknowledges the advantages of Peppol e-invoicing in relation to the accelerated and broad adoption of the technological benefits, the reduction in manual effort and increased accuracy associated with transactional processing tasks, and greater e-security to combat fraud associated with the risks of email scams and ransomware attacks.

As a member of the Business Council of Australia, we are supportive of their approach and considerations in relation to the rollout and adoption of e-invoicing across the private sector. We are aligned with the opportunities and challenges highlighted in the consultation paper and believe that further consideration is needed across those areas to understand the reasonableness of timeframes and impacts to processes and systems related to Origin's circumstances. We would like to raise two areas specifically in our response at this time:

1. Invoice payments to Small Businesses and the definition of 'large' businesses

Currently, Small Businesses account for ~34% of our suppliers and 25% of our invoice payments. This equates to ~1,000 suppliers with ~30,000 invoice payments per annum. Origin recognises that when SMEs thrive it is good for our community and economy. We understand that in order to thrive, SMEs rely on prompt and on-time payment.

For this reason, Origin has committed to the Business Council of Australia's Australian Supplier Payment Code. As part of this code we commit to paying eligible Australian small business suppliers within 30 days of receipt of correct invoice/delivery of goods (whichever is later). During

the current period of economic uncertainty, associated with the COVID-19 pandemic, we recognise that timely payment to small business is especially important. Commencing in April 2020 and currently ongoing, Origin accelerated our standard payment terms from 30 days to 14 days for our small business suppliers. To further ensure prompt payment of all invoices, Origin has published our invoice and payment guidelines on our website, as well as our dispute resolution process.

Origin is currently implementing the additional reporting requirements for payments to Small Businesses to enable compliance with the Payment Times Reporting Act, an initiative which in itself will likely increase the uptake of e-invoicing in the public sector. However, when determining the definition for businesses that could be covered by the requirement to use e-invoicing (i.e. "large businesses"), we suggest that consideration be given to the way those businesses typically operate. By way of example, an obligation that requires an organisation to adopt or report at a legal entity level may create an administrative (and costly) burden on 'large' organisations if they do not typically operate transaction processing activities at a legal entity level. It is not unusual that these transactions are processed by a Shared Service on behalf of all legal entities within the companies group structure.

2. ERP Software Providers and the 'network effect'

Origin is supportive of adopting e-invoicing given the high-volume of supplier invoices that we receive. This would enable us to unlock efficiency benefits to reduce the internal cost of processing an invoice as well as enabling faster payments to our suppliers in a more secure and accurate environment.

We understand that a number of the software providers of SME accounting packages are intending to include access to Peppol e-invoicing by mid-2021, therefore enabling a large number of SMEs to have access to Peppol e-invoicing with minimal adoption costs (as many will have this included in current software subscriptions).

For larger enterprises, like Origin, who utilise complex ERP solutions from providers such as Oracle and SAP, the more expensive adoption cost to procure Peppol access point and integration software services, as well as the internal cost to implement process changes, may become an investment decision in competition with other strategic business priorities. WE acknowledge that there is a 'network effect', where the greater the uptake across Australian businesses the more each participant will benefit, and note the adoption mandate that is in place for the public sector. Consequently, we suggest that further consideration be given by the Government and the large ERP software providers to the opportunity provided by low cost access to standard product offerings across their Australian client base. We believe this may accelerate the economic gains that could be achieved through a fast-tracked client offering from those larger ERP providers.

We are encouraged by this consultation process as the next step in reducing Business-to-Business payment times and look forward to our continued engagement in this initiative.

If you require any further information please contact me on email [REDACTED] or by phone [REDACTED]

Yours sincerely



Stuart Hatton
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