

# Annual Report 2020

Australian Business Software Industry Association

The logo for the Australian Business Software Industry Association (ABSIA) is located in the bottom right corner. It features the letters 'ABSIA' in a bold, blue, sans-serif font. The letter 'S' is stylized, with a vertical blue bar extending upwards from its top, creating a distinctive graphic element.

**ABSIA**

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# President's Report

*This is an excerpt from the President's Report that Chris Howard delivered at ABSIA's Annual General Meeting on 28 October 2020. Access a full version of this report on ABSIA's website.*

ABSIA, not unlike the rest of the industry, has been through some interesting events and challenges over the past year. The COVID-19 pandemic had a significant impact on the world, Australia and our Australian Business Software Industry. ABSIA responded to these challenges by working closely with the ATO and other Government agencies to support initiatives that ultimately helped keep our Australian economy moving and to continue to represent as the voice of the industry.

There has been much focus on supporting Government initiatives such as JobKeeper, JobSeeker, superannuation changes and industry support changes by the Australian Government and executed through Treasury and the ATO. Our rapid response and ability to interface between industry and Government saw our industry provide much needed timely response to these critical initiatives.

ABSIA continues to focus on growth and support of our Members and the industry. Over the year, our team has executed on several initiatives that expand on the service offerings we provide to our Members and the industry at large. We continue to look for opportunities to deliver value with improved outcomes for all and as the industry recovers, ABSIA will be there to help support these recovery efforts and will be exploring opportunities to help grow and expand the Australian Business Software Industry.

The ABSIA Board is one of volunteers, who devote their time and energy to lead this organisation. The Board is supported by two employees, who work tirelessly to support the Board and our Members. I cannot begin to demonstrate my appreciation for the ongoing support of this team. I will however take this moment to thank them for their help this year.

Additionally, ABSIA is supported by its Members. I would like to thank all of our Members for their continued support and contributions throughout the year. We have grown our membership and continue to seek out additional Members to join our voice and help strengthen our ability to lead and influence stakeholders in progressing our industry.

ABSIA is at a pivotal stage of development with a number of growth and development opportunities under consideration. We will maintain our focus on representing the industry, increasing the value that we bring to our Members, our stakeholders and the industry. We actively look for opportunities to expand the relevance and value that we can bring to our Members and the industry. As we continue on this journey, I am enthusiastic to see ABSIA develop as an association and further support the business software industry in the future with greater services.

I would like to, again, recognise the ongoing partnership and support of the Australian Taxation Office (ATO). Our partnership continues to grow and improve and provide the both of us with opportunities to implement digital solutions and add value to Australian businesses and the software industry.

As the President and Chair of ABSIA, I have had the pleasure of working with a great team and our Members. I am very appreciative of this opportunity and wanted to, again, thank you all. ABSIA's aim is to actively facilitate Australia's Digital Agenda, thereby creating more opportunities for our Members and the broader industry to grow digital businesses and ultimately, a digital economy. With these goals in mind, ABSIA will continue to be proactive in consultations and submissions to the Government on topics that are of direct relevance and interest to the industry.

Again, thank you all for your continued support.

Chris Howard  
President & Chair  
24 October 2020

# Treasurer's Report

At the 2020 AGM, Treasurer Matthew Prouse provided the following as a part of the Treasurer's Report:

1. Profit and Loss
2. Balance Sheet
3. JobKeeper turnover calculator

## Profit and Loss

### Australian Business Software Industry Association Limited

For the year ended 30 June 2020

#### Cash Basis

	2020	2019	2018	2017
<b>Trading Income</b>				
Conferences & Events	34,671	28,649	28,050	29,082
Memberships & Subscriptions	144,956	124,150	98,085	66,862
<b>Total Trading Income</b>	<b>179,627</b>	<b>152,799</b>	<b>126,135</b>	<b>95,944</b>
<b>Cost of Sales</b>				
Conference & Event Costs	26,925	22,017	23,140	31,933
<b>Total Cost of Sales</b>	<b>26,925</b>	<b>22,017</b>	<b>23,140</b>	<b>31,933</b>
<b>Gross Profit</b>	<b>152,702</b>	<b>130,782</b>	<b>102,995</b>	<b>64,011</b>
<b>Other Income</b>				
Other Income	22,491	2,254	6,333	26,413
<b>Total Other Income</b>	<b>22,491</b>	<b>2,254</b>	<b>6,333</b>	<b>26,413</b>
<b>Operating Expenses</b>				
Marketing & Advocacy	17,647	21,522	23,120	51,500
Operations & Administration	10,047	17,803	15,265	12,091
People & Staff	104,362	75,983	23,590	18,644
<b>Total Operating Expenses</b>	<b>132,057</b>	<b>115,308</b>	<b>61,975</b>	<b>82,234</b>
<b>Net Profit</b>	<b>43,136</b>	<b>17,728</b>	<b>47,353</b>	<b>8,190</b>

# Balance Sheet

## Australian Business Software Industry Association Limited

As at 30 June 2020

	30 JUN 2020	30 JUN 2019	30 JUN 2018
<b>Assets</b>			
Bank	126,374	83,312	69,466
Accounts Receivable	78,246	8,570	3,300
Current Assets	-	21	-
<b>Total Assets</b>	<b>204,620</b>	<b>91,903</b>	<b>72,766</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deferred Revenue	-	-	10,000
ATO Liabilities	12,195	4,663	452
<b>Total Current Liabilities</b>	<b>12,195</b>	<b>4,663</b>	<b>10,452</b>
Non-current Liabilities	13,399	5,679	666
<b>Total Liabilities</b>	<b>25,595</b>	<b>10,342</b>	<b>11,118</b>
<b>Net Assets</b>	<b>179,025</b>	<b>81,561</b>	<b>61,649</b>
<b>Equity</b>			
Current Year Earnings	97,464	19,912	55,042
Retained Earnings	81,561	61,649	6,607
<b>Total Equity</b>	<b>179,025</b>	<b>81,561</b>	<b>61,649</b>

## JobKeeper Turnover Calculator

### Australian Business Software Industry Association Limited

Month **July August September** Accounting Method **Cash**

**2019 turnover** GST excl 96,949

**2020 turnover** GST excl 53,713

**Turnover change** Fall of 43,236 **- 44%**

# ABSIA's Major Activities and Achievements

Over 2020, ABSIA has been involved in many continuing industry initiatives and we have increased our involvement in other areas such as Consumer Data Right (CDR) and new initiatives like the Modern Awards Pay Database (MAPD).

## E-invoicing

Since this time last year, there has been significant progress on e-invoicing in Australia and New Zealand. 2020 has been a year of driving adoption, increasing e-invoicing awareness and the development of industry practice statements for Australia and New Zealand.

Notable activities undertaken in the last 12 months include:

### **December 2019:**

The first group of Australian accredited Service Providers became live on the Peppol Network. All are ABSIA members aside from the Australian Government agencies. In December, the first Peppol e-invoice was sent in New Zealand with ABSIA members providing AP services on both sides of the transaction.

### **March & June 2020:**

ABSIA and our members participated in NZ Peppol Authority Tech Forums.

### **June 2020:**

ABSIA provided a submission to the ATO and MBIE's consultation on Invoice Content and Response where we suggested the formation of a working group, co-chaired by ABSIA to work through these issues with a wide range of participants.

### **June 2020 & Onwards:**

ABSIA began hosting e-invoicing community zoom meetings for open discussions between Peppol service providers, accounting and ERP software vendors and other industry participants across Australia and New Zealand for both ABSIA members and non members. These monthly meetings have been very productive and have driven subsequent activity with the ATO, MBIE and OpenPeppol. Summaries of these meetings are available [on ABSIA's website](#).

### **August 2020:**

The ATO and MBIE's Invoice Status and Content Working Group began in August co-chaired by ABSIA. This work began with examining invoice content and then moved to covering invoice response and how this should be implemented by providers in Australia and New Zealand. The result of this working group has been the production of two A-NZ Industry Practice Statements (ANZIPS.) One for invoice content and another for invoice response.

### **August - October 2020:**

ABSIA and our members participated in the OpenPeppol Service Provider survey design working group.

**September 2020:**

ABSIA provided feedback on the refresh of A-NZ Peppol Guidance notes.

**October 2020:**

As part of the Government's Digital Business Plan announced as part of the Budget, there was the commitment to mandating e-invoicing for all Commonwealth government agencies by 1 July 2022. This was a significant announcement and welcomed by many e-invoicing providers. ABSIA looks forward to working with members, the e-invoicing community and the Government on progressing this initiative.

Outside of the work undertaken this year, ABSIA would like to recognise Mark Stockwell, Director of E-invoicing at the ATO, and Mark Wierzbicki, Director of E-invoicing at MBIE, who run the Australian and New Zealand Peppol Authorities respectively. ABSIA has worked closely with each of them over the past year and appreciate their ongoing candor, support and open communication. It is a testament to the ability of government and industry to work together for a common goal.

## Payroll & STP

At the beginning of this year many payroll and Single Touch Payroll (STP) providers were gearing up for STP Phase 2. However with COVID-19, many providers were required to pivot and provide their users with JobKeeper and other stimulus measures. This interrupted the work on STP Phase 2 and the industry waited six months for an official announcement on the mandatory start date.

Understanding that many of our members were concerned about this deadline and not being able to make the necessary changes to all of their products in time, ABSIA prepared an official statement advocating for the deferral of STP Phase 2 to voice these industry concerns. In conversations with the ATO, ABSIA has represented this view and the industry's concerns. After the ATO released a draft legislative instrument making the mandatory start date for STP Phase 2 on 1 July 2021, ABSIA sent a letter to Minister Stuart Robert and Michael Sukker advocating for a minimum 12 month deferral. This letter was co-signed by approximately 30 members.

To support the industry and our members in providing the JobKeeper stimulus measure, ABSIA Directors attended weekly working group meetings as well as the DPO's webinars and shared this information back to them.

The industry's hard work in providing JobKeeper in such a short time frame was recognised through an article published by COSBOA.

## Security

Following on from the 2020 Cyber Security Strategy, ABSIA submitted to the Department of Home Affairs' consultation on *Protecting Critical Infrastructure and Systems of National Significance* suggesting that STP, the STN and e-invoicing networks are, or are becoming, critical infrastructure. As a part of this submission, ABSIA recommended that while these may be classified as critical infrastructure, these networks are already well regulated and that this should be recognised.

At the time of writing, the Operational Framework is currently underway with ABSIA Directors and members participating in the review working groups. ABSIA looks forward to the outcome of this review and supporting our members as they enact any changes.

## Security Standard for Add-on Marketplaces (SSAM)

This August marked the first year since the SSAM was officially launched. Over the past year, ABSIA Directors have assisted members with their SSAM implementations and provided advice, tips and tricks on implementation. ABSIA hosted a follow up webinar on the SSAM in May to support the industry as we reached closer to the deadline for existing add-ons to comply with the SSAM.

The Operational Framework review outcomes will be influential in shaping the first review of the SSAM which is expected to occur in early 2021. ABSIA will look to work closely with our DSP and add-on ecosystem members as this work begins.

## Consumer Data Right (CDR)

Over the past 12 months, ABSIA has increased our involvement in the Consumer Data Right (CDR) especially as it starts to move into the intermediary space. ABSIA has responded to four CDR consultations over the year as well as providing a response to the New Zealand Government's discussion paper on *Options for establishing a consumer data right in New Zealand*. These submissions continued to advocate for the use of the Operational Framework as an alternative accreditation method for Accredited Data Recipients (ADRs) and further, the adoption of the SSAM for intermediary consumers of CDR data.

More recently, the industry had a win with the ACCC announcing that they intend to recognise both ISO 27001 and the DSP Operational Framework as alternative accreditation methods for the unrestricted level.

## Government Relations Sub-Committee

The Government Relations Sub-Committee was launched in May to bring together government relations teams from ABSIA's larger members to coordinate approaches to government on behalf of the industry. Members of this group include:

- Chair - Simon Foster (Vice President)
- Michael Ross (Director / MessageXchange)
- Andrew Stirling (Elected Director / Tanda)
- Chris Denney (Elected Director / SuperChoice)
- Karen Lay-Brew (Individual Member)
- Angus Capel (Xero)
- Collette Betts (MYOB)
- Simeon Duncan (Intuit)

The charter for this sub-committee is [available here](#) and the priorities identified by the sub-committee for 2020/21 are as follows:

1. Identify significant economy wide initiatives that can be driven by the Australian business software industry:
  - a. Ensure ABSIA is part of the Payment Times Reporting technology design.
  - b. Drive the use of the SSAM as a framework for other government digital supply chains - e.g. CDR.
  - c. Use of award interpretation software to simplify industrial relations as part of the COVID-19 response.
2. Engage other complementary industry associations and civil society organisations and approach government together.
3. Promote successful government and industry partnerships via a PR campaign - e.g. SSAM, JobKeeper, STP Phase 2 and Operational Framework.
4. Identify successful digital economy initiatives from other jurisdictions (e.g. Singapore DRB, EU Single Digital Market) and document how they could be adopted by Australia.
5. Design a grant programme to upskill small software and IT services companies cybersecurity capability modelled on the ACSC and AustCyber approached for large businesses.

## COVID-19 Industry Research & Report

In the middle of the year, ABSIA developed and published research on the impacts of COVID-19 on the business software industry. This research took a close look at the current and potential longer-term impacts of COVID-19 on the industry as well as initiatives that would positively impact on the industry over the next 12 months. Following data collection and analysis, ABSIA published the research and shared the details via a webinar.

This research and report is the first of its kind undertaken by ABSIA and was met by positive media coverage.

## Modern Awards Pay Database (MAPD)

In August, the Fair Work Commission reached out to ABSIA to introduce their new Modern Awards Pay Database (MAPD) and discuss the potential for its use by software developers. While this was initially created as an internal solution for the FWC, they saw potential in

creating an API version of the MAPD for payroll, time and attendance and similar software products to consume.

This work started as a showcase for the ABSIA Board, ATO and other government agencies and then moved on to a showcase specifically for ABSIA members. At the time of writing, ABSIA has been co-chairing a consultation stream with members on how the FWC could build APIs for the industry.

## Board

At the beginning of 2020, the Board welcomed a new Co-Opted Director, Brad Stockman from Ascender. In March, long serving Board Director, Karen Lay-Brew, stepped down from her Co-Opted position to take on a new role with the ATO in March.

Ahead of the 2020 Annual General Meeting, two Board Directors were required to step down from their current positions under the Constitution. Mike Behling had reached his maximum term limit on the Board and was required to resign. ABSIA wishes to extend many thanks to Mike for his contributions to ABSIA as a Director over the years and we look forward to his continued involvement with ABSIA as the Secretary for 2021. Ian Gibson also stepped down from his Director position under clause 36.2 of the Constitution due to his retirement from SuperChoice. However, at the November Board meeting, the Board decided to co-opt Ian for a two year term.

### **Annual Planning Day**

The ABSIA Board and staff met in Melbourne in February for our Annual Planning and Strategy Day. This day continues to be integral in reviewing ABSIA's activities and identifying the focus for the association and Board for the year ahead.

### **2019 AGM**

At the 2019 Annual General Meeting, the Board received the same number of nominations as there were vacant positions and therefore no voting was required at the AGM. The Board welcomed back Chris Howard, Ian Gibson and Matthew Prouse. In the meeting immediately following the AGM, the Board voted on office bearer positions for 2020. As a result, the office bearer positions remained the same moving into 2020.

### **2020 AGM**

In the lead up to the 2020 Annual General Meeting, the Board received eight nominations for the five vacant positions available on the Board. The Board also put forward seven special resolutions to modify the Constitution. Both Director voting and special resolution voting were held via proxy voting before the AGM with one representative casting their vote in person at the AGM.

As a result of Director voting at the AGM, ABSIA welcomed Chris Denney from SuperChoice and Ann White from Ozedi on to the Board as Directors effective as of 1 January 2021. We also

welcomed back Simon Foster, Marjukka Maki-Hokkonen and Michael Ross. All of the seven special resolutions required the 75% vote in order to pass the resolutions.

Immediately following the AGM, a meeting was held between the current Board and Elected Directors to welcome new Directors to the Board and to elect the office bearers for 2021. The Board voted on the President and Vice President for 2021. ABSIA wishes to welcome the 2021 President Simon Foster and Vice President Matthew Prouse. The vacant office Treasurer position will be voted on by the Board in 2021.

At the November Board meeting, the Board decided to use the recently passed constitution change to expand the current number of Director positions on the Board. As a result, two casual vacancies for Elected Directors and two Co-Opted Director positions were made available. To fill these positions the Board invited Andrew Stirling from Tanda and Sreeni Pillamarri from Softlabs, who had initially nominated for the Board, as Directors for a one year term each as well as Emma Dobson as a Co-Opted Director for a two year term.

## Membership Services

Over the course of this year, ABSIA focused on providing support and information to keep members up to date throughout the coronavirus pandemic. While this year has looked a little different with no face to face ABSIA events, we continued to hold webinars and meetings with members throughout the year.

As a result of COVID-19, ABSIA postponed our annual conference. This event gives our members an opportunity to interact and engage with each other as well as the ability to provide ABSIA with direct feedback for us to consider and work on. While we were hopeful that we would be able to get back together soon, ABSIA recognises the importance of the safety and health of our team, members and the overall industry. We are actively monitoring the situation and are currently planning for an October 2021 conference.

ABSIA has held five webinars over the course of the year alongside monthly e-invoicing meetings and the sharing of industry events that are relevant to members. Moving into 2021, ABSIA looks forward to continuing to provide informative webinars and holding face to face events when it is safe to do so.

## Contributions to Submissions

Across 2020, ABSIA has submitted 12 submissions to government and industry consultations. More information about these and past ABSIA submissions can be found under the Policy section on our website. This year, many of ABSIA's submissions focused on the re-use of existing standards and frameworks rather than a re-inventing approach to avoid over regulation and the duplication of standards. Here, ABSIA advocated for the use of the Operational

Framework and SSAM, where appropriate, and had a win with the ACCC intending to recognise the Operational Framework for CDR accreditation.

## Representation on Government and Industry Boards and Working Groups

ABSIA continues to represent the industry on a number of government industry boards, working groups and regular meetings. The Government Relations Sub-Committee has been vital here to share information with each other to stay up to date with the activities of these groups.

Over this year, ABSIA has had the opportunity to participate in the below meetings that sit outside our regular representation.

### **COSBOA Round Tables**

Since the beginning of Australia's lockdown, ABSIA, through Directors Simon Foster and Matthew Prouse, have attended COSBOA's weekly round tables.

### **Home Affairs Security Cyber Group**

ABSIA participated in the Commonwealth Department of Home Affairs Small Business Cybersecurity Roundtable along with COSBOA Members and SME Cyber Firms in March 2020, and had the opportunity to promote the SSAM and the ATO DSP Operational Framework as an example of industry and Government cooperation in cyber security.

## Business Registry Strategic Advisory Council (BRSAC)

The BRSAC met in late September, for the first time since October 2019, after the legislative package for the Modernising Business Registers (MBR) received royal assent in June 2020 and following the budget announcement that \$400m had been allocated to the program. The MBR working groups have only just restarted again as well.

The September meeting covered presentations about the 2024 vision of the program, progress in establishing the new registry services and plans to roll out director identification numbers. They are current consulting with stakeholders about the application process for director identification numbers. This part of the program will be one of the MBR's first deliverables.

## Modernising Business Registers (MBR)

With work on this now kicking off again, the MBR working groups started operating again which includes:

- Modernising Business Registers Business Advisory Group (MBRBAG)
- Modernising Business Registers Business Design Working Group
- Modernising Business Registers Technical Design Working Group

## Digital Service Provider Strategic Working Group (DSP SWG)

The SWG met three times this year; one of these meetings was a shared ABSIA and SWG meeting. Due to COVID-19 and the introduction of stimulus measures, the SWG set up the COVID-19 DSP focus group to engage with DSPs and provide support where possible. This group met weekly as the first phase of JobKeeper was released by the industry.

## Gateway Network Governance Body

The GNGB was able to move seamlessly to the new COVID working arrangements in the early part of 2020 while still providing the high-quality governance of the Gateway network that has become standard. The executive team delivered against a range of strategic and operational initiatives:

- Review and update of the MOU, Gateway standards and information security requirements; implementation of the outcomes of the 2019 cyber incident response exercise and conduct of the 2020 cyber incident response exercise.
- Enhanced communications activities with the broader GNGB ecosystem including monthly newsletters, updated website, social media posts and information video on website.
- Development and implementation of a Risk management framework to guide the delivery of risk management and mitigation strategies throughout the STN.
- Ongoing engagement and consultation with emerging digital networks including the NPP, e-invoicing, CDR / Open Super.
- Consultation on the Operational Framework and Critical Infrastructure.
- Change management and coordination of the Rollovers v3.0 implementation.

Overall the GNGB has had a very strong year, and is poised to again make a significant contribution to the overall security and reliability of the Superannuation transaction network in 2021.

## Peppol Working Groups

The ABSIA Board and members have had continued involvement in OpenPeppol forums, including the Peppol International Invoice Working Group (PINT), General Assembly, Service Provider Forum, POAC and eDec Communities. ABSIA would like to recognise the election of Martin Mane (ATO Assistant Commissioner with responsibility for e-invoicing) as the OpenPeppol eDec Community Leader in June 2020. This is a strong recognition of the contribution of Australia and New Zealand to the OpenPeppol community in the last few years.

# Contact Information

Australian Business Software Industry Association Limited

217 Flinders Street  
Adelaide SA 5000

**Email:** [info@absia.asn.au](mailto:info@absia.asn.au)

**Website:** [www.absia.asn.au](http://www.absia.asn.au)

## ABSIA Board 2020

<b>President and Chair</b> Chris Howard (ADP) <a href="mailto:chris.howard@absia.asn.au">chris.howard@absia.asn.au</a>	<b>Director</b> Marjukka Mäki-Hokkonen (People Cloud) <a href="mailto:marjukka@absia.asn.au">marjukka@absia.asn.au</a>
<b>Vice President and Deputy Chair</b> Simon Foster (Storecove) <a href="mailto:simon.foster@absia.asn.au">simon.foster@absia.asn.au</a>	<b>Director</b> Ian Gibson (SuperChoice) <a href="mailto:ian.gibson@absia.asn.au">ian.gibson@absia.asn.au</a>
<b>Secretary and Director</b> Mike Behling (MYOB) <a href="mailto:mike.behling@absia.asn.au">mike.behling@absia.asn.au</a>	<b>Director</b> Michael Ross (MessageXchange) <a href="mailto:michael.ross@absia.asn.au">michael.ross@absia.asn.au</a>
<b>Treasurer and Director</b> Matthew Prouse (Xero) <a href="mailto:matthew.prouse@absia.asn.au">matthew.prouse@absia.asn.au</a>	<b>Director</b> Brad Stockman (Ascender) <a href="mailto:brad.stockman@absia.asn.au">brad.stockman@absia.asn.au</a>