

Digital Service Providers Australia New Zealand

Annual Report 2021-22

dspanz.

digital service providers
australia new zealand



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1. Introduction

The last few years have brought about huge changes for Australia and New Zealand and our industry. Amidst a global pandemic, people were navigating some of the biggest shifts to work and business in decades. Practices, like remote working, that were once for a select few became a reality for many. Reliance on technology grew to sustain this new normal.

At the same time, DSPANZ and our members were working behind the scenes to keep this new reality functioning. We partnered with Treasury and the ATO to design and implement an effective JobKeeper scheme that utilised the existing investment in the Single Touch Payroll system to create a support set-up that worked.

Although this is just one example, DSPANZ and our members have partnered with government and industry on a range of critical measures, creating impactful change and effective policy – and continue to do so.

These recent years mark considerable progress towards our mission of supporting members, Digital Service Providers (DSPs), to inform government policies and develop solutions that optimise business and economic outcomes in Australia and New Zealand. The organisation, previously known as ABSIA, was formed in 2014 as an offshoot of the ATO's Software Developers Forum. Rebranding to DSPANZ in 2021, our size and scope has grown to create stronger partnerships that result in productive, useful change.

There have been other big developments in this time beyond COVID-19. Earlier this year, the election saw the Labor government voted in as Australia's federal leaders. The tech space is changing too, via mergers and acquisitions that consolidate the payroll and business management space.

We are now entering a new realm of challenges globally as inflation and cost of living rises. Yet there are opportunities for DSPANZ and our members to work closely with government and other stakeholders to improve the way things are done, optimising business and economic outcomes across the Tasman.

"A good foundation is key to any great partnership and the frameworks we have in place will support us as we design into the future. This is what we have in our relationship with DSPANZ. We see a future where DSPs and the ATO work together in a trusted partnership to provide the best possible digital solutions to support the effective administration of tax, super and registry and collectively deliver benefits for the community. I'm excited about this future and encourage all DSPs to be a part of this journey with us," **Elly Stinchcombe, Assistant Commissioner, ATO at DSPANZ Webinar Week.**

2. President's Report

Six years ago I joined the DSPANZ board, then led by our founding President and life member, David Field. Now, as I reach the term limit for a Director, it's a good opportunity to reflect on a period of substantial growth in maturity and reach for our association.

I was privileged to work with and learn from David, as well as my other predecessors as President – Karen Lay-Brew and Chris Howard. Each of them has been a key driver behind DSPANZ's achievements, along with the rest of our volunteer board and our small team of hard working staff.

When I began my term as President, in the middle of the pandemic, the association was financially stable but still reliant on individual directors volunteering significant amounts of time. My primary objective was to improve the organisation's sustainability by having a governance-focused, rather than working, board. To achieve this, we needed to upskill staff and introduce member committees to take on the workload and get more members involved.

I'm pleased we have been able to achieve this, and it's only been possible because of our staff – Operations Manager, Donna Burrige, who joined us in 2018 and brought many years of experience managing technology associations and wrangling volunteers; Maggie Leese, Communications and Advocacy Manager who also joined in 2018 on a short term marketing contract. It has been a real pleasure seeing Maggie's capability and confidence grow over the years; she now runs meetings, writes consultation submissions and is the backbone of the association.

In the past year we've also added Jordan Molloy to the team as Marketing Assistant. I'm sure you've noticed her impact in the improved quality of our member communications such as social media, newsletters and other materials – including this Annual Report.

Another goal I am pleased to have achieved is cementing our activities in New Zealand. We rebranded in April 2021 to make clear we are more than just Australia and in the last 12 months have seen the formation of the DAG (Digital Advisory Group) together with IRD and continued work with MBIE as the NZ Peppol Authority. We are also excited to be the custodian of the new NZ Tax Technology Group.

DSPANZ has been recognised as a global leader in best practice partnerships between government and the business software industry, with peers internationally wanting to learn from our experience. We have had conversations with the likes of New Zealand's IRD, OpenPeppol and

the European eInvoicing Service Providers Association (EESPA) about how government and industry can work together for the betterment of all involved.

[Best practice](#) doesn't just benefit government agencies and DSPs; it lays the groundwork for measures that help employers and businesses, as well as everyday people in Australia and New Zealand. The work of DSPANZ and its members underpins functions most take for granted – getting paid, being able to run your business, saving for retirement or meeting regulatory obligations.

The foundation for this is the strong partnerships we continue to nurture and grow, between members, the board, government and industry. It's these relationships that allow us to provide a voice for Australia and New Zealand's software industry as well as turning policy into a practical reality.

This is all the more important as we welcome a new Federal Government in Australia and partner with new leaders and stakeholders to continue our great work with agencies like the ATO and Fair Work Commission. There has been significant progress in building Australia's digital economy and the next few years will allow the association to keep laying these vital foundations. As mentioned earlier, DSPANZ made significant headway in New Zealand in a short period of time, amplifying the voice of DSPs in the market.

I am sure the association will build upon this next year and beyond to become more self-sufficient, ensuring DSPANZ and our members have the resources they need. But for now it's important we take a moment to step back and acknowledge where we are, how far we've come, and what we can do next to further grow.

Building DSPANZ's profile

The launch into New Zealand in April 2021 marked our official rebrand into DSPANZ. This expansion saw us work closely with the Inland Revenue Department (IRD) and New Zealand DSPs to set up the NZ Digital Advisory Group (DAG). Much like the ATO's Strategic Working Group (SWG) and DSP Architecture Reference Group (DARG), this group brings together government and industry, enabling them to work together on IRD's strategic initiatives and their implementation.

In only a short time, the reputation of DSPANZ has grown and we are being asked to present on our working partnerships to other parts of the world. Earlier this year I spoke to the European eInvoicing Service Providers Association (EESPA) in Athens and shared our work in the eInvoicing and Peppol space. It was a pleasure to talk about our learnings and how they can help other markets achieve better outcomes for government, DSPs and end users.

Our role in major pieces of work

Australia's digital future relies on tech that underpins our day-to-day and makes business and life easier. This future can't exist without software to make it a reality.

DSPANZ and our members consulted on a number of key pieces of work in this space – shaping their roll out and making them more effective for all involved. These include initiatives like STP Phase 2 and eInvoicing, as well as the industry-driven Security Standard for Add-on Marketplaces (SSAM). We also have a seat on the Australian Business Registry Strategic Advisory Council, chaired by the Commissioner of Taxation and Australian Business Registrar, Chris Jordan AO.

STP Phase 2 will soon be used to report the majority of payroll for Australians. Meanwhile, eInvoicing has grown tremendously across the region, with over 23,000 registrations and an increasing number of DSPs offering eInvoicing capabilities within their business software.

The SSAM grew from the needs of our members to have security guidance for third-party apps that integrate with a DSP. Designed by DSPANZ to extend the ATO's Operational Security Framework, it is now used widely by DSPs – helping safeguard valuable customer data and improve the ecosystem's overall security posture.

There's so much more important work done by DSPANZ members during this time, which you can read all about in this Annual Report.

Thank you to:

- Our Vice President, Simone Dixon, who has provided a wealth of knowledge and experience to the board since joining last year. It's always been a joy to talk through our challenges and opportunities, and you bring enormous passion to your role.
- Matthew Prouse, elected Vice President when I began my first year as President, only to have to step down when I rudely joined Xero in May 2021. You continue to give generously of your time and experience to the industry and government.
- Chris Denney, who stepped in as Vice President last year. I have enjoyed our catch ups when I visit Canberra, and look forward to them continuing into the future – but without the pressure of DSPANZ work. .
- The rest of the DSPANZ board of directors, including Mike Behling, our Secretary; Allen Knight; Andrew Stirling; Belinda Stewart; and Emma Dobson. This organisation couldn't exist without the kindly volunteered time and efforts of the directors.
- Our key government and industry partners. I would personally like to acknowledge the strong working relationships and personal involvement of key government and industry personnel: Elly Stinchcombe, Mark Stockwell, Kylie Johnston, Di Porter and Chontelle Weyman from the ATO; Murray Furlong and Trudy Jones from the Fair Work Commission; Rogan Clarke, Alice Kiefer and Mark Tapara from NZ Inland Revenue; Mark Wierzbicki from NZ Ministry of Business, Innovation and Employment; Matthew Addison and Alexi Boyd from COSBOA; and Lefteris Leontaridis from OpenPeppol.
- Finally, thank you to all our members for your invaluable contributions. DSPANZ exists to improve outcomes for service providers like yourselves and your ongoing involvement makes this all the more possible.

The work that our association and industry does will only become more critical to Australia and New Zealand and this has significant opportunity for DSPANZ and our members. DSPANZ will continue to work closely with government and other stakeholders on major activities like the Modernising Business Registers (MBR), improving DSP security incident reporting, and anticipated changes to industrial relations. I look forward to seeing what the organisation achieves in 2023 and beyond.

Simon Foster
President
DSPANZ

3. About DSPANZ

Digital Service Providers Australia New Zealand (DSPANZ), formerly ABSIA, is a non-profit industry association representing the world class business software sector in Australia and New Zealand.

Our members range from large, well-established companies to new and nimble innovators. Over the years, the software industry has helped streamline and transform payroll, superannuation, tax, accounting and finance operations by delivering new, secure digital solutions. This work is helping to fuel the digital economy while improving user experiences and government policy outcomes.

DSPANZ has a proven track record of helping government agencies consult and work with the business software industry on major policies and projects that require technology-led solutions.

DSPANZ's mission is to support members to inform government policies and develop solutions that optimise business and economic outcomes in New Zealand and Australia.

This is achieved by:

- Sharing** knowledge, expertise and industry updates
- Building** strong networks in A-NZ
- Connecting** government and industry to solve challenges
- Engaging** with government to inform policy
- Consulting** for members on B2G and B2B initiatives

Goals for 2022

DSPANZ has five main goals for this year, building on past work and objectives:

-  **1.** Continue uplifting maturity and reducing reliance on individual volunteer directors
-  **2.** Consolidate engagement with existing stakeholders
-  **3.** Increase membership coverage of industry
-  **4.** Better understand the DSPANZ member base
-  **5.** Define a 3 year plan by the end of 2022

Early each calendar year, the DSPANZ board and staff review the organisation's direction and status on goals at a strategy day. Outcomes and ongoing progress are documented and shared with members.

4. 2022 Board of Directors and Office Bearers



President
Simon Foster
Xero



Vice President
Simone Dixon
ELMO Software



Secretary
Mike Behling
MYOB



Director
Allen Knight
Taxlab



Director
Andrew Stirling
TANDA



Director
Ann White
OZEDI



Director
Belinda Stewart
Paypac



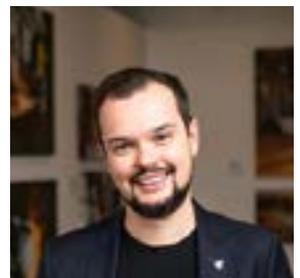
Director
Chris Denney
SuperChoice



Director
Emma Dobson



Director
Ian Gibson



Director
Matthew Prouse
Xero

5. Financial Report

DSPANZ's savings were bolstered in recent years due to COVID-19 related impacts – reduced director travel, events and JobKeeper. We entered this year with a bigger cash reserve and carried most of that through 2022, although expenditure grew.

The organisation's main expense continued to be wages, with these increasing due to the addition of new support personnel to the team. These wages were no longer subsidised this year as JobKeeper ended. However, we reinvested the additional income from JobKeeper into our organisational strategy and development, like the rebrand and launch from ABSIA to DSPANZ.

This year, we restructured our membership pricing model to account for a number of changes to the industry. This included the impact of acquisitions and mergers, which reduced some memberships, as well as acknowledging the diverse size of our member base. We added the 'Developer Level 4' membership for organisations with more than 1000 employees, with a fee that reflects the size and scale of these businesses. A number of members have also grown and moved up in category, boosting cash flow.

DSPANZ is entering FY23 well positioned to invest in the organisation while maintaining cash reserves.

| Profit and Loss | | | |
|--|--------------------|--------------------|--------------------|
| Australian Business Software Industry Association Limited t/as DSPANZ | | | |
| For the 12 months ended 30 June 2022 | | | |
| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2020 |
| Income | | | |
| Conference - exhibitors | \$0 | \$0 | \$900 |
| Conference - sponsors | \$2,000 | -\$900 | \$15,000 |
| Conference - tickets | \$0 | \$0 | \$19,025 |
| Memberships - Business Level 1 | \$3,450 | \$1,150 | \$0 |
| Memberships - Business Level 2 | \$0 | \$0 | \$0 |
| Memberships - Business Micro | \$1,287 | \$281 | -\$561 |
| Memberships - Developer Level 1 | \$35,650 | \$13,604 | \$28,050 |
| Memberships - Developer Level 2 | \$22,023 | \$5,984 | \$20,196 |
| Memberships - Developer Level 3 | \$45,195 | \$6,732 | \$47,124 |
| Memberships - Developer Level 4 | \$40,000 | \$11,000 | \$0 |
| Memberships - Developer Micro | \$14,546 | \$12,700 | \$13,151 |
| Memberships - Individual | \$1,266 | \$543 | \$724 |
| Memberships Prepaid FY20 | \$0 | \$101,474 | \$0 |
| Webinar - Tickets | \$309 | \$1,040 | \$0 |
| Total Income | \$165,727 | \$153,607 | \$143,609 |
| Less Cost of Sales | | | |
| Conference - operating costs | \$29 | -\$17,923 | \$37,727 |
| Conference - travel | \$0 | \$0 | \$1,992 |
| Forum and workshop costs | \$445 | \$280 | \$0 |
| Total Cost of Sales | \$475 | -\$17,642 | \$39,719 |
| Gross Profit | \$165,252 | \$171,249 | \$103,890 |
| Plus Other Income | | | |
| Donations - in kind | \$0 | \$0 | \$0 |
| GATE Service Fee | \$22,000 | \$0 | \$0 |
| Interest Income | \$0 | \$61 | \$129 |
| Other Income | \$334 | \$286 | \$181 |
| Wage subsidy received | \$0 | \$65,800 | \$22,000 |
| Total Other Income | \$22,334 | \$66,147 | \$22,310 |

| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2020 |
|---|------------------|------------------|------------------|
| Less Operating Expenses | | | |
| Advocacy | \$14,168 | \$12,000 | \$554 |
| Bad Debt | \$2,300 | \$7,650 | \$1,683 |
| Foreign Currency Gains and Losses | \$0 | \$00 | \$18 |
| IT Expenses | \$0 | \$1,996 | \$0 |
| Marketing - advertising | \$1,433 | \$3,400 | \$668 |
| Marketing - surveys and on costs | \$0 | \$0 | \$82 |
| Marketing - website | \$2,551 | \$3,057 | \$2,454 |
| Operations - accounting | \$1,422 | \$639 | \$487 |
| Operations - ASIC | \$250 | \$511 | \$150 |
| Operations - banking | \$15 | \$5 | -\$0 |
| Operations - director's travel | \$1,499 | \$271 | \$10,996 |
| Operations - external memberships | \$3,942 | \$1,010 | \$2,573 |
| Operations - insurance | \$1,347 | \$1,331 | \$2,040 |
| Operations - legal | \$1,305 | \$1,125 | \$0 |
| Operations - merchant fees | \$1,184 | \$876 | \$548 |
| Operations - office suppliers | \$665 | \$2,459 | \$135 |
| Operations - postage and freight | \$134 | \$0 | \$0 |
| Operations - rent | \$4,301 | \$3,450 | \$3,320 |
| Operations - teleconferencing | \$1,540 | \$588 | \$218 |
| Other expenses | \$1,589 | \$898 | \$482 |
| People - staff costs including wages and superannuation | \$150,368 | \$114,275 | \$105,036 |
| Total Operating Expenses | \$190,012 | \$155,584 | \$131,445 |
| | | | |
| Net Profit | -\$2,426 | \$81,812 | -\$5,245 |

| Balance Sheet | | | |
|--|--------------------|--------------------|--------------------|
| Australian Business Software Industry Association Limited t/as DSPANZ | | | |
| As at 30 June 2022 | | | |
| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2020 |
| Assets | | | |
| Bank | | | |
| Weel Expenses Account | \$1,072 | \$1,775 | \$1,099 |
| Westpac Community Account | \$150,042 | \$157,050 | \$125,274 |
| Total Bank | \$151,114 | \$158,825 | \$126,374 |
| Current Assets | | | |
| Accounts Receivable | \$16,583 | \$12,234 | \$77,012 |
| Total Current Assets | \$16,583 | \$12,234 | \$77,012 |
| Total Assets | \$167,696 | \$171,059 | \$203,386 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | \$0 | \$1,173 | \$14,073 |
| GST | \$2,652 | \$1,397 | \$7,642 |
| PAYGW liability | \$8,995 | \$5,751 | \$4,438 |
| Rounding | \$3 | \$3 | \$3 |
| Total Current Liabilities | \$11,651 | \$8,324 | \$26,165 |
| Non-Current Liabilities | | | |
| Superannuation Liability | \$343 | \$4,607 | \$0 |
| Wages Payable | \$0 | \$0 | \$0 |
| FY21 Membership accrual | \$0 | \$0 | \$101,474 |
| Total Non-Current Liabilities | \$343 | \$4,607 | \$101,474 |
| Total Liabilities | \$11,994 | \$12,931 | \$127,631 |
| Net Assets | \$155,702 | \$158,128 | \$75,755 |

| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2020 |
|-----------------------|------------------|------------------|-----------------|
| Equity | | | |
| Current Year Earnings | -\$2,426 | \$82,373 | -\$5,806 |
| Retained Earnings | \$158,128 | \$75,755 | \$81,561 |
| Total Equity | \$155,702 | \$158,128 | \$75,755 |

6. Industry Committees

DSPANZ hosts four industry committees (as well as one sub-committee) to support work in major areas of interest for DSPs. These allow members a proactive voice by bringing them together to discuss and collaborate on important items, like submissions and government initiatives, to shape policy and action. The industry committees are now coming to the end of their first year of operation. This is the first year DSPANZ has truly opened them up to member involvement and 31 members currently participate across the five committees.

Committees are open to all members. Each committee (except Government Relations) is refreshed each year and DSPANZ members are encouraged to nominate themselves if they'd like to take part. Work plans and all minutes are available to members.

As the committees were first kicking off, each group was having a similar conversation about how the industry prefers to work with government. DSPANZ created the [DSP and Government Engagement: An Industry Perspective on the ATO's Consultation Model](#) paper to capture the best practice approach developed with the ATO and share learnings with government agencies in Australia and New Zealand, and industry bodies like COBSOA.

The paper is now a useful tool in conversations with other agencies, policy submissions and to build upon with other documentation we look to produce around government working with DSPs. This intends to influence how agencies consult with and interact with DSPs – bring them in earlier to help government better understand software provider and end user needs when developing digital services.

6.1 EmployTech

The [EmployTech industry committee](#) drives innovation around technology solutions being built for employees and employers. This includes managing relationships with the Department of Employment and Workplace Relations (DEWR) on its industrial relations program of work and the Australian Taxation Office on payroll and superannuation developments.

The committee met five times in 2022. EmployTech captures a large span of work, including STP Phase 2, and continues to build DSPANZ's network to other government agencies including the Fair Work Commission. This brings a software voice to important items which impact Australian businesses, employers and everyday citizens – like being paid correctly.

DSPANZ aims to expand our partnerships to include state governments and other agencies in order to better co-design areas like long service leave, payroll tax and workers compensation to improve the outcomes for Australian businesses and employees.

As part of the committee's work, DSPANZ made a submission on the [Paid Family and Domestic Violence Leave Bill](#) to help make it a practical reality for businesses and employees, providing the much-needed support. The Bill increases the leave allocation to 10 days for full-time, part-time and casual employees and extends the definition of family and domestic violence to include a current or former partner of an employee, or a member of an employee's household.

The submission asked for clarity on how this leave is deducted, interacts with other leave types and works for casuals, as well as proposing an implementation date of 1 July 2023 to allow for a more seamless transition. DSPANZ continues to consult with government as the Bill is in Parliament and looks forward to the outcome.

RACSWG

The [RegTech Award Compliance Strategic Working Group \(RACSWG\)](#) was established in late 2021 with the Department of Employment and Workplace Relations (DEWR) (previously run through the Attorney-General's Department).

It brings together DSPANZ members and government representatives from the Fair Work Ombudsman, Department of Employment and Workplace Relations and the Fair Work Commission in an open forum to discuss the award interpretation space and work through issues related to award and wage compliance. This extends the best-practice partnership DSPANZ has with the ATO to other areas of government and shows the impact of early collaborative consultation.

RACSWG consulted on the National Employment Standards, Same Job Same Pay Policy, and the Paid Family and Domestic Violence Leave bill. The change of government has also influenced the work of the RACSWG with items from the Jobs and Skills summit discussed in the group.

STP Phase 2

STP Phase 2 continues to be a focus for DSPANZ members as they, and their users, make the transition. The STP Phase 2 members meeting group, which convenes on a monthly basis, provided an avenue for members to share challenges, tips and insights into the development and go-live process.

DSPANZ directors met regularly with members from the ATO's STP team and provided ongoing feedback throughout, including on how much DSPs have spent implementing STP Phase 2 to increase government understanding of its cost to DSPs. This open dialogue was a shift from the first implementation of Single Touch Payroll and marks growth in the collaborative partnership between DSPs and the ATO.

There have been a number of accomplishments in the STP space during this period:

- Despite significant changes from STP 1 to STP 2, members (and their users) are starting to see the benefits of data sharing with Services Australia for example no longer needing to provide separation certificates
- Working with the ATO has allowed them to better understand payroll processes and on the other hand allowed DSPs to better understand the ATO's requirements and constraints
- The majority of products are now at the whitelisted or ready stage
- 1.5 billion payee records have been received since STP commenced in 2018

This progress and journey was summed up in [The STP Journey: Past, Present and Future webinar](#) that featured ATO's Ian Colhoun and Travis Wright during webinar week. It discussed the evolution of Single Touch Payroll since 2018 and the role of the DSPANZ partnership in it.

6.2 Government Digital Services

The [Government Digital Services industry committee](#) focuses on the existing and emerging digital services that DSPs interact with and consume, such as Practitioner Lodgement Services (PLS) and Digital Identity. We aim to engage early on relevant initiatives to avoid potential implementation issues and keep these services running smoothly.

The committee has met six times since its inception in 2022. As part of its focus, the Government Digital Services committee discusses and keeps tabs on government projects across Australia and New Zealand. It encourages the government in both countries to use consistent technology and business processes. The committee is also looking to document a set of principles for government technology design.

Modernising Business Registers (MBR)

DSPANZ continues to be involved in the program by participating in the MBR Design Working Group and MBR Business Advisory Group. We continued to represent members and advocate for the government to develop a contemporary register of businesses, entities and professionals that takes an API-first approach, and will enable the development of diverse and robust software solution for directors, intermediaries and businesses.

Your Future, Your Super

Following earlier consultation on the Your Future, Your Super changes, we continue to work with the ATO and incoming government as the program is reviewed. DSPANZ and our members still believe there are design improvements needed to make this work effectively for Australian businesses and employees.

GST Stewardship Group

DSPANZ is pleased to join the GST Stewardship Group with director Matthew Prouse acting as representative; the first time a software developer has been on an ATO Stewardship Group not related to technology, sitting alongside voices from the ABA, CPA Australia and UNSW. It's an exciting opportunity to bring our extensive technology knowledge to a space that will impact Australian businesses and further support the digitalisation of the tax system.

Digital Services Gateway (DSG)

The committee continues to follow the ATO's delivery of the Digital Services Gateway (DSG) which many of DSPANZ's members consider to be an important piece of technology to support the ATO's future service delivery.

6.3 Government Relations

This [sub-committee](#) provides a platform for member government relations personnel to talk to each other and inform conversations with the public sector. It also aims to help government agencies understand who DSPANZ is and what we do in our partnerships with government stakeholders. In these conversations we want to create opportunities for better digital services for business.

The Government Relations sub-committee has crossover with the other industry committees. We also work proactively with other organisations, like COSBOA, to coordinate efforts and contribute to economy-wide initiatives, and regularly attend industry events to speak on behalf of DSPs. For example, DSPANZ President Simon Foster took part in the NSW Industry Digital Transformation Roundtable.

The sub-committee has met 19 times since the beginning of its creation in 2021, including nine times in 2022.

Australian Federal Election

The 2022 Australian federal election ushered in a change of government and, with it, new representatives to work with on priorities for Australia's digital future. DSPANZ and our members look forward to partnering with the incoming Labor government and continuing working towards a robust digital Australia, underpinned by intelligent policy that translates to streamlined processes for businesses, their employees and everyday citizens.

Consumer Data Right (CDR)

This year we continued to share feedback on Australia's Consumer Data Right and advise on how it can be improved to offer more value to businesses and consumers. We were pleased by Treasury's [proposed changes](#) to the CDR rules which introduced measures to support business participation. This includes the DSPANZ submission to the CDR Statutory Review in May, which was quoted when [media](#) reported on the findings of the review and overall performance of the scheme.

DSPANZ aims to ensure the rules and requirements surrounding the CDR are suitable for Digital Service Providers (DSPs) along with other participants in the system. We look forward to further improvements to create an effective CDR scheme in Australia.

Meanwhile, we continue to stay close to the development of New Zealand's own CDR.

Technology Investment Boost and Skills & Training Boost

DSPANZ and our members were pleased to see acknowledgment of the need for support for small businesses via the announcement of the Technology Investment Boost and Skills & Training Boost in this year's federal budget.

We surveyed DSPANZ members for feedback and made submissions to the Treasury's consultations. We look forward to seeing the outcome of this in Parliament, as well as future measures that support small business digitisation and much-needed workforce support.

6.4 Peppol

DSPANZ has had a vital role in progressing A-NZ eInvoicing since 2015 when we were founding members of the Digital Business Council. Since then, we have been closely involved in the rollout of eInvoicing in Australia and New Zealand. Much of this is now managed via the [Peppol Industry Committee](#), which shares updates to members and facilitates their feedback. The committee held five meetings in 2022.

DSPANZ representatives currently:

- Co-Chair the A-NZ Peppol All Stakeholders Working Group alongside ATO and MBIE
- Assist with chairing focus groups where applicable

The group aims to progress eInvoicing awareness and adoption, support members with updates to specifications, and help new DSPs and participants in the space. We regularly meet with peers in the industry like BPAY, CPA Australia and ASBFEO to encourage knowledge sharing and collaboration.

Understanding that Peppol is more than just eInvoicing, this Committee also focuses on eDelivery opportunities for members and the wider eInvoicing community.

eInvoicing Week

The first ever [eInvoicing Week](#) in August this year marked exciting progress in the expansion and understanding of the government initiative. DSPANZ took part by [hosting a webinar](#) aimed at DSPs covering the basics of Peppol and how to get involved.

A number of DSPANZ members also took part, running webinars or other events. This included the Champions Adoption Network Communication Committee (CANCC), a group chaired by the ATO and Business Council of Australia (BCA) that brings together marketing representatives from software providers and businesses currently going live to grow awareness of eInvoicing.

eInvoicing week resulted in a boost to registration numbers and greater awareness of eInvoicing and Peppol among Australian businesses. There were 224 Peppol registrations the Monday after the event – the highest daily registrations to date.

A-NZ Peppol All Stakeholders Working Group

DSPANZ, together with the ATO and MBIE, established the [A-NZ Peppol All Stakeholders Working Group](#) in late 2021 to give all stakeholders, particularly end users and corner 1 and corner 4 providers, a vehicle to discuss issues and possible enhancements.

It consists of a larger working group, which meets at least three times a year, and smaller focus groups that meet more frequently to work through specific issues and topics.

The working group published [guidance on consistent data mapping](#) and is currently drafting guidance for access point migration and exit, and the use of attachments across the Peppol network. The group continues to work through improvements to eInvoicing in the region.

6.5 Security Standards

The [Security Standards Industry Committee](#) works to maintain security standards for DSPs across Australia and New Zealand and help members understand and meet security obligations. The committee held eight meetings in 2022 and five in 2021.

DSPANZ members often enable digital economy initiatives and must comply with extensive cyber security requirements e.g. the ATO's Operational Security Framework and GNGB's STN ISR to safeguard customer data.

In addition, DSPANZ developed its own security standard, the SSAM, to complement the ATO's Operational Security Framework and meet the unique needs of DSPs and their third party connections. The group is now exploring the creation of Essential Eight guidelines for macOS.

Security Standard for Add-on Marketplaces (SSAM)

The [SSAM](#) is the world's first industry app store security standard. DSPANZ began the first review of the Security Standard for Add-on Marketplaces (SSAM) in 2021 to reflect the changes of the OSF and other changes in the ecosystem. While the review is still waiting to publish final documentation, the standards have so far been widely adopted by DSPs to create a consistent approach to security. Once updates to ISO27001 are confirmed, these can be fully aligned.

SSAM has been adopted by almost all 23 app stores in the accounting and payroll ecosystem. This marks major success for the initiative as well as showcasing the impact of DSP-led security standards. Ultimately, it is a win for end users who can confidently use these platforms and ecosystems knowing their data is stored securely.

DSPANZ and members of the committee are working to enhance the SSAM and streamline its use by DSPs and their app partners including security incident reporting and a template security questionnaire.

National Data Security Action Plan

DSPANZ aims to reduce the burden DSPs face when meeting their security obligations. It can be difficult for organisations to navigate the plethora of different security standards, even more so if they have limited security expertise.

In June, we shared a [submission](#) on behalf of members to improve the way data security requirements are shaped for software providers and other Australian businesses. While the outcome isn't yet confirmed, we look forward to further working with the government on improving security standards, especially as they are reviewed following a number of major security incidents.

DSPANZ has ongoing conversations with the ATO on security incident reporting under the Operational Security Framework. This is to help improve the understanding of the requirement and what needs to be reported through to the ATO.

7. New Zealand

DSPANZ has made big headway in New Zealand in a short time. Since our 'official' entrance to the country in 2021, we founded the [New Zealand Digital Advisory Group \(NZ DAG\)](#) in partnership with the Inland Revenue Department (IRD). This takes the learnings from DSPANZ's work with the ATO and brings this best practice approach to collaborating with IRD.

Membership in New Zealand has grown to 14. Most importantly, this is building important relationships with government and industry to create the best outcomes for the nation's businesses and citizens. DSPANZ's relationship with IRD is a successful beginning of a path that will ultimately bring high value for the business community and employees.

Highlights from this year include a meet and greet with the new NZ Tax Commissioner Peter Mersi and Simon Foster, Matthew Prouse and Maggie Leese. DSPANZ prepared a number of submissions, including on [Tax Administration](#) and the [Towards a Digital Strategy for Aotearoa](#) consultation.

New Zealand Digital Advisory Group (NZ DAG)

The New Zealand Digital Advisory Group or 'DAG' is a representative advisory group to provide support and perspective from software developers and Digital Service Providers (DSPs) to the NZ Inland Revenue Department (IRD) and other government agencies. This is to support the smooth operation and ongoing digital transformation of the tax system.

DSPANZ is a permanent member and supports the operations of the DAG, offering administrative support.

In just a year, the DAG has been able to put in place new processes that allow for more collaboration between DSPs and IRD. This includes the biannual release cycle process that gives DSPs the opportunity to consult on upcoming changes.

More recently, the DAG established a payroll working group that allows interested DSPs to discuss payroll specific items outside of the regular DAG meetings. As part of the group's initial work plan, it aims to conduct a post-implementation review of Payday filing while also looking at new releases and milestones for changes to payroll-related items. This is similar to the annual change process created by the DAG for tax time changes.

Tax Technology Group

The Tax Technology Group is a recently established DSPANZ sub-committee that focuses on the future of tax in New Zealand. It is more future-forward and tax specific than the DAG, bringing together members, government and other industry players.

In 2023, it is our intention to develop a more substantive business and operational presence in New Zealand to support members and the broader software community.

“The NZ DAG has only been around for a year but it’s been awesome – it’s been everything I hoped it would be. We now have this higher level of engagement and one unified voice from service providers to connect with and advise the IRD, while they have an official channel to the ecosystem. We’ve all embraced it and some great changes have come as a result,” **Karl Farrand, DSPANZ member and Director at Taxlab.**

8. Advocacy

DSPANZ works closely with members to advocate in the best interest of service providers and provide clear consultation to guide policy and outcomes. Our ongoing advocacy includes regular meetings with government and industry:

- Meeting with ATO Executive four times a year
- Monthly meetings with Fair Work Commission on Modern Awards Pay (MAP) Database API
- Continuous participation in the fortnightly COSBOA 'Team Australia' stakeholder roundtable (since December 2019) which also includes representatives from Treasury, Fair Work, ATO and state government agencies
- Ad-hoc meetings with ASBFEO, COSBOA, Digital Transformation Agency, Home Affairs, Treasury
- Co-chairing three industry working groups – Australian Taxation Office's DSP Strategic Working Group (SWG), Department of Employment and Workplace Relation's RegTech Award Compliance Strategic Working Group (RACSWG) and New Zealand Digital Advisory Group (NZ DAG)

Some of the main themes over the past year centred around security and the potential of strong partnerships. The strength of these partnerships was recognised by the Productivity Commission, when DSPANZ was quoted in the [Interim Productivity Report](#) discussing the ATO, DSP and Australian Bureau of Statistics (ABS) collaborations.

Security limitations

DSPs currently deal with complex security requirements that can make it difficult and confusing to build and maintain software. It can be challenging to navigate these security guidelines and meet multiple conflicting standards, leading to set backs that delay policy being put into action.

DSPANZ's ongoing security consultation aims to resolve this, however there is more than can be done to simplify requirements and make it easier for DSPs to build software that meets new government changes.

The potential of partnerships

The most impactful change happens when software providers work together with government to shape policy. DSPANZ's existing relationship with the ATO provides a framework and real-life example of this.

Advocacy for members

For software providers, this framework allows them to influence policy and ensure outcomes are workable in development. They can participate in consultation, planning and the co-design of projects, working alongside peers and government.

DSPANZ members are able to drive the direction of DSPANZ via Industry Committees, as well as stay up to date on policies and programs that inform the software industry. The organisation is shaped by those who take part; it's an avenue for DSPs to influence the industry and work together to have an impact.

This year we changed the way we communicate with members to share industry updates more often. This includes newsletters, a forum, dedicated payroll resources pages and other members-only online resources.

"With so much happening in the ATO and Peppol worlds, DSPANZ is a valuable way to stay up-to-date and share knowledge. But probably more importantly, being a member is a chance to give back. This can be as simple as providing input towards a DSPANZ response to an industry consultation. Or it could be more involved by participating in a DSPANZ advisory committee or special interest group. For me, DSPANZ plays an essential role in providing a respected collective voice for software developers – to help shape the direction of our industry and influence ways to make our industry better," **Rick Harvey, DSPANZ member and CEO at Layer Security.**

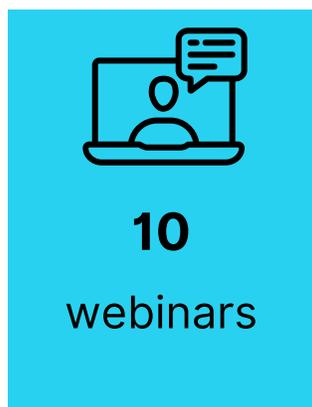
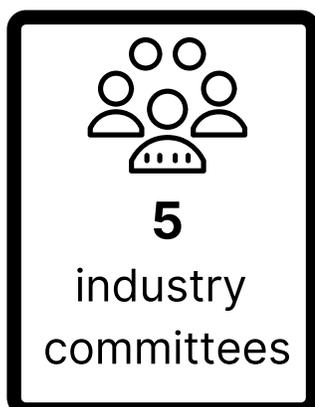
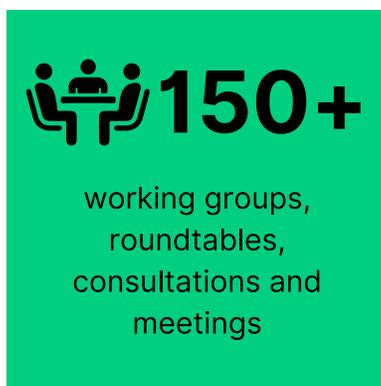
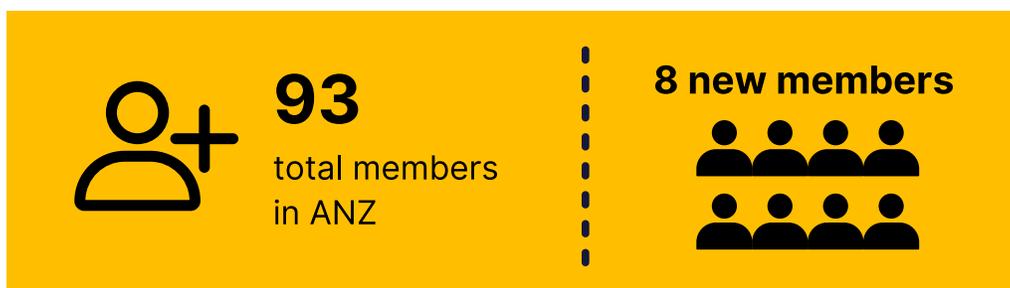
Working with government

For Australian and New Zealand government agencies, DSPANZ recommends consulting with DSPs from the policy ideation phase of a project. Consulting as early as possible helps to ensure, from the beginning, that the outcomes will be achievable and meet the needs of the Government, DSPs, the business community and other end users of business management software.

DSPANZ members are experienced in working with government agencies to enable government policy by delivering integrated digital services through software and providing better business outcomes.

For example, DSPANZ has been working closely with the Fair Work Commission on the [Modern Awards Pay Database](#) since 2020 to deliver an API that is beneficial to both government and DSPs. We meet regularly for updates ahead of the delivery of the API.

9. Representative Activity



10. Looking Ahead

Software providers have diverse approaches and interests, as is to be expected from a group spanning payroll to accounting and cybersecurity. But something they have in common is the desire for a good working relationship with government. Both parties get the best outcome when working together, as we saw with JobKeeper, Single Touch Payroll and now with newer working groups including the NZ DAG and RACSWG.

The ongoing digitisation of Australia and New Zealand spells positive change for businesses and citizens alike, helping them access essential services and in many cases the necessities of their life – working and being paid. DSPANZ looks forward to helping robust – and meaningful – digitisation become a reality.

The year ahead will see the continuation of major pieces of work, including Modernising Business Registers (MBR), Consumer Data Right (CDR), Essential Eight guidelines for macOS, and the ongoing growth of eInvoicing in Australia and New Zealand.

We'll see the outcome of our consultation on work like the Paid Family and Domestic Violence Leave Bill and keep working to make policy into a practical reality for software providers, their customers and end users. DSPANZ looks forward to working closely with government agencies in both nations to create practical change.

“We have established these truly great relationships with government and industry that allow DSPANZ to act as a conduit. Having created an environment for stakeholders to feel safe in sharing their challenges, ideas and solutions, has allowed a mature conversation focused on positive outcomes. We've developed so much in recent years and can now take steps to ensure the stability of this growth and our partnerships,” **Simone Dixon, Vice President, DSPANZ.**

We are always open to hearing from DSPs, government and industry, or others looking to get involved with DSPANZ. Reach out if you'd like to get more involved in our committees, regular meetings, working groups or to share feedback.

For more information on DSPANZ, visit dspanz.org or reach out to hello@dspanz.org.

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We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respect to their Elders past, present and emerging.

As DSPANZ is a bi-national association, we also acknowledge Māori as tangata whenua and Treaty of Waitangi partners in Aotearoa New Zealand.

Can't keep up with all the acronyms we use? We've pulled together an [extensive list of acronyms](#) used within the business software industry to help you out.