

Media release

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Businesses to benefit from new electronic invoicing

Two thirds of Kiwi businesses agree a new way of invoicing will reduce the risk of cyber hacking, cut admin time, speed up payments and improve cashflow, according to research commissioned by the Ministry of Business Innovation and Employment (MBIE).

This research comes at a time when eInvoicing is starting to roll out across New Zealand. eInvoicing automates and simplifies the exchange and processing of invoices through the direct exchange of invoice information between buyers' and suppliers' financial systems – even if these systems are different.

Not a PDF

General Manager eInvoicing at MBIE, Mark Wierzbicki says that eInvoicing enables a low touch, error free process that the current practice of emailing a PDF or scanning a paper invoice can't.

“eInvoicing is the digital exchange of invoice information directly between buyers' and suppliers' financial systems, with no need for a PDF to be generated and no manual handling or data entry required when you receive an eInvoice.”

This exchange of information happens through a standard eInvoicing network that allows different systems to talk to each other using an international standard, called Peppol, ensuring smooth, secure transactions to different systems, and markets.

The smarter way to invoice

MBIE Chief Financial Officer Stewart McRobie says that with over 280 million business-to-business invoices exchanged in New Zealand annually, the efficiency and faster payment capability eInvoicing provides will be worth billions to businesses and the New Zealand economy.

“We know businesses could do with a boost in these difficult COVID-19 times. eInvoicing is an exciting next step for them, giving today's accounting systems a new step up in capability, enabling businesses to be paid faster, improving cashflow and doing business more smoothly, safely and efficiently.

“It's simply a smarter way to invoice and the more businesses that are eInvoice-enabled, the more they, and the economy, will benefit.”

The Government has committed to implementing eInvoicing across all central government agencies. Half will be ready by the end of March 2022, with the remaining planning to be eInvoicing receive capable soon after.

Mr Wierzbicki says that already there are more than 4,000 businesses who can receive eInvoices and this is rapidly growing.

“With thousands of small businesses already enabled and ready to send eInvoices they’re asking their buyers if they’re ready to receive them. So, if you’re not yet eInvoicing, now’s the time to get started.”

How to get started

Becoming eInvoicing enabled is easy and free or low-cost for most small to medium businesses. Most accounting and finance software, including the likes of Xero, MYOB and Reckon, provide free or low-cost eInvoicing capability.

For large business with more complex systems, there will be some extra steps to transition to eInvoicing. And, as receivers of large volumes of invoices, significant savings can be realised through reduced processing and administration costs.

eInvoicing can offer significant savings to business costs. It’s estimated to cost less than \$10 to process an eInvoice amounting to savings of \$18.00 per paper invoice and \$16.00 per PDF invoice. Also, buyers no longer need to manually input invoice data, reducing their costs, the risk of errors and making reconciliation and coding easier.

To find out more talk to your business advisor or accountant, and check out eInvoicing at eInvoicing.govt.nz

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