

# ANNUAL REPORT

## FINANCIAL YEAR 2018

## Table of Contents

<b>Table of Contents</b>	<b>2</b>
<b>President's Report</b>	<b>3</b>
<b>Treasurer's Report</b>	<b>5</b>
<b>ABSIA's Major Activities and Achievements</b>	<b>12</b>
Gateway Network Governance Body (GNGB)	12
Operational Framework	12
Single Touch Payroll (STP)	12
Practitioner Lodgement Service (PLS)	13
ABSIA's New Internal Systems	13
eInvoicing Special Interest Group (SIG)	14
<b>Upcoming Programs</b>	<b>15</b>
Single Touch Payroll - Phase 2	15
eInvoicing	15
<b>Contact Information</b>	<b>16</b>

## President's Report

On behalf of the ABSIA Board, I wish to express our appreciation to all ABSIA members for your support and contribution throughout the year. We would also like to thank the Australian Taxation Office (ATO) for their ongoing partnership and support. Growing from this partnership, we have been working more with other government agencies including DTA, PM&C, ABS, DIIS and DHS, and will continue to do so.

Building on 2017 as a year of "firsts", ABSIA now has a prominent standing with credibility and impact within the government sector, and is more widely recognised in the industry both nationally and internationally.

Our CEO Panel in March this year hosted prominent industry CEOs, private sector board members, ATO's Second Commissioner and the academia. The discussions explored areas where the government, businesses and industry can work together to develop Australia's technology industry.

ABSIA was sought out for the industry's views on a number of consultations including the Black Economy Task Force, Digital Economy Strategy, Small Business Digital Task Force and Modernisation of Australian Business Registers, all of which would be hugely impacted on by the Digital Service Provider industry.

Building on our reputation as an inclusive collaborator with other industry associations, ABSIA has extended to building relationships with the New Zealand and Singapore Technology Industries to create innovative solutions that will work across national borders. New Zealand and Singapore Governments will be joining the ATO, New South Wales and South Australian Governments at ABSIA's Annual Conference 2018 to share their vision and plans for eInvoicing and Digital Procurement in the regional trade context.

ABSIA has been actively engaging with the US Government over the last few years, and was instrumental in arranging for the Hon. Angus Taylor MP to speak at the Washington DC Data Transparency Conference in October 2017. The US Government is modelling their Grants Reporting and Administration on Australia's SBR program which is achieving \$1.4billion economic savings annually, and one of our members gave testimony at the US Congress House Committee last month.

We are able to attract such high-level engagements and conversations because ABSIA reputation is more prominent, and I want to thank our Board members who have promoted the ABSIA brand by speaking at various conferences over the last year. We have participated in no less than twelve (12) external conferences across Australia and internationally in 2018.

The past year has been one of major capability growth. ABSIA membership has grown from 15 companies at its inception in 2014 to 53 at the end of the 2017 financial year, and now currently stands at 81 members. Having paid off a long-term debt of close to \$50K, this has enabled us to employ part-time permanent staff to take on ABSIA's administrative duties, and to improve our internal processes and systems.

ABSIA will continue to expand our effectiveness in representing the industry, increase our membership base and revenue by offering new services. This will require hiring a CEO over the next 12 months, allowing the ABSIA Board to operate at a more strategic level.

Despite the recent instability in Australian politics, ABSIA's focus remains firm with multi-partisan support and alignment to co-create solutions for Australia's Digital Agenda, and to attain efficiencies and better experience through a whole-of-government approach. Our aim is to actively facilitate the Australian Digital Agenda thereby creating more opportunities for our members and the broader industry. With these goals in mind, ABSIA will be even more proactive in consultations and submissions to the government on topics that are of direct relevance and interest to ABSIA.

Last year's aspiration was that the industry and government will forge new levels of cooperation to deliver Government Services. Now, it is starting to get traction to creatively solve the collective challenges and to innovate how Government Services can be shaped and delivered digitally.

Again, thank you for all your continued support.

Karen Lay-Brew  
President & Chair  
29 October, 2018

## Treasurer's Report

ABSIA has seen a growth in members from 53 in FY17 to 81 in FY18 proving there has been solid growth over the past year and we can expect for this to continue in the next year. Through extending our industry reach and involvement we expect an even more diverse membership base over the next year.

Our growing membership base and growth in revenue has put ABSIA in a much better financial position moving forward having recently paid off our long-term debts. This has enabled ABSIA to hire two part-time administrative and marketing employees to assist the Board and run the day-to-day operations of ABSIA.

This year the board determined that we should have our financials reviewed by an external accountant, despite us not reaching the turnover that mandates this. Benkorp Management Services has produced the "Assurance Review Report" presented here. This is an important milestone in the maturity of ABSIA and should give confidence to our members that your fees are subject to appropriate financial controls.

Simon Foster  
Treasurer

# Assurance Review FY18

Australian Business Software Industry Association Limited  
ABN 72165915640  
For the year ended 30 June 2018

Prepared by Benkorp Management Services

# Contents

- 3 Assurance Review Report
- 4 Profit and Loss
- 6 Balance Sheet

# Assurance Review Report

## Australian Business Software Industry Association Limited For the year ended 30 June 2018

### Report of the Annual Financial Statements

I have reviewed the accompanying Financial Statements of the Australian Business Software Industry Association Limited which comprise of the Profit & Loss and Balance Sheet reports of your organisation for the period ended 30 June 2018 according to the Australian Auditing and Assurance Standards Board on Review Engagements ASRE 2400 Review of a Financial Report performed by an Assurance Practitioner Who is Not the Auditor of the Entity.

My responsibility is to express an opinion on the Financial Statements based on my conclusion. The review is conducted in accordance with Standard on Review Engagements ASRE 2400 Review of a Financial Report performed in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the Financial Statements are not presented fairly, in all material respects.

An Assurance Review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### Client's responsibility for the Annual Financial Statements

The officers of the organisation are responsible for the preparation and fair presentation of the Financial Statements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Financial Statements that are free from material misstatement, whether due to fraud, error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances

### Limitations of Assurance Review & Audits

Because of the inherent limitations of an audit and Assurance Review, together with the inherent limitations of any system of internal control, there is an unavoidable risk that some material misstatement, fraud or irregularity may not be detected, even though the review is properly planned and performed in accordance with Australian Auditing Standards.

### Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the financial statements of the Australian Business Software Industry Association do not give a fair view of the income and expenses of the Australian Business Software Industry Association for the year end 30 June 2018.

Assurance Practitioner's Signature	
Assurance Practitioner's Name	Jeanette Korporaal (Director) Benkorp Management Services
Assurance Practitioner's Qualifications	BCom(Accounting)BTh CertIV Training & Assessment, BAS Agent, MIPA
Date of the review report	1 October 2018
Assurance Practitioner's Address	Po Box 61, Glebe NSW 2037
Assurance Practitioner's Phone	1300 138 627



# Profit and Loss

## Australian Business Software Industry Association Limited For the year ended 30 June 2018

	FY18	FY17
<b>Trading Income</b>		
Conference (4-1900)	16,127	19,861
Conference exhibitors	750	3,500
Conference sponsorship	1,850	-
Forum 1 (4-1000)	2,432	2,136
Forum 2 (4-1100)	1,074	-
Forum 3 (4-1200)	-	7,079
Forum 4 (4-1300)	-	2,182
Gold membership	3,500	4,295
Individual membership	905	543
Interest income	57	29
Other income	-	-
Platinum membership - Level 0	6,500	1,705
Platinum membership - Level 1	23,250	14,000
Platinum membership - Level 2	19,000	21,000
Platinum membership - Level 3	39,750	33,500
Product register	-	22,500
Sponsorships received	5,000	5,160
Webinars	341	-
<b>Total Trading Income</b>	<b>120,535</b>	<b>137,490</b>
<b>Total Income</b>	<b>120,535</b>	<b>137,490</b>
<b>Expenses</b>		
Accounting fees	689	150
Advertising	-	70
ASIC	126	(933)
Bad Debt	500	500
Bank charges	-	73
Conference - Operating Expenses	18,435	16,347
Conference - Travel & Accommodation	3,289	2,886
Directors - Travel and Meetings	10,315	25,730
Forum 1 (5-1000)	541	12,254
Forum 2 (5-1100)	875	446
General Expenses	-	518
Insurance	924	896
Interest paid	-	(97)
Internet	-	120
Lease of equipment	-	500
Legal Fees	1,260	18,000
Marketing Survey Expenses	30	-
Membership and subscriptions	-	900

Profit and Loss

	FY18	FY17
Merchant Fees	712	278
Microsoft Expenses	-	784
Office supplies	491	287
Photocopying	-	14
Printing & stationery	-	300
Staff - Subcontractors	23,590	16,875
Staff - Travel & Accommodation	-	1,114
Staff - Wages & Salaries	-	656
Sundry expenses	-	236
Teleconference Expenses	742	-
Telephone	-	2
Website Development	2,775	35,700
<b>Total Expenses</b>	<b>65,293</b>	<b>134,606</b>
<b>Profit/(Loss) before Taxation</b>	<b>55,242</b>	<b>2,884</b>
<b>Net Profit After Tax</b>	<b>55,242</b>	<b>2,884</b>
<b>Net Profit After Distributions/Dividends Paid</b>	<b>55,242</b>	<b>2,884</b>

# Balance Sheet

## Australian Business Software Industry Association Limited As at 30 June 2018

	30 JUN 2018	30 JUN 2017
<b>Assets</b>		
<b>Current Assets</b>		
<b>Bank Accounts</b>		
Westpac Community Account	69,466	10,753
<b>Total Bank Accounts</b>	<b>69,466</b>	<b>10,753</b>
<b>Accounts Receivable</b>		
Accounts Receivable	3,500	16,355
<b>Total Accounts Receivable</b>	<b>3,500</b>	<b>16,355</b>
<b>Total Current Assets</b>	<b>72,966</b>	<b>27,108</b>
<b>Total Assets</b>	<b>72,966</b>	<b>27,108</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
GST	326	(2,108)
Accounts Payable	666	22,482
Deferred Revenue	10,000	-
PAYGW liability	126	126
<b>Total Current Liabilities</b>	<b>11,118</b>	<b>20,501</b>
<b>Total Liabilities</b>	<b>11,118</b>	<b>20,501</b>
<b>Net Assets</b>	<b>61,849</b>	<b>6,607</b>
<b>Equity</b>		
Retained Earnings	61,849	6,607
<b>Total Equity</b>	<b>61,849</b>	<b>6,607</b>

## ABSIA's Major Activities and Achievements

### Gateway Network Governance Body (GNGB)

The Gateway Network Governance Body (GNGB) is the entity tasked with the oversight of the SuperStream Transaction Network and ensuring that the network operates in a reliable and secure fashion. Three ABSIA Board Members, David Field, Ian Gibson and Michael Ross, are all a part of the GNGB Board with Ian Gibson contributing greatly to the security discussions held over the past year.

The GNGB has had significant achievements during the 2017-2018 year. Most importantly, funding has been finalised allowing the GNGB to become a self-funding body and they no longer require any government funding. This year was also the first in which the gateways had security audits and the GNGB Board was, and continues to be, very involved in ensuring that the audits were carried out in a timely fashion and that remediation work was being carried out where required.

The other significant piece of work that the GNGB took part in was to deliver a review of the STN ISR which included the alignment with the new ATO Operational Framework. The updated Australian Signals Directorate recommended security controls and the draft of the APRA Prudential Standard CPS 234 on Information Security. This was an important piece of work as the cost and resourcing required for data security is ever increasing and this project helped to align the commonalities between the standards.

### Operational Framework

The Operational Framework aims to secure the data and interactions between various systems that comprises the ecosystem of ATO's services. It stipulates some criteria for external systems to interact with the ATO, and the requirement for ISO 27001 is a significant investment in effort, time and cost for all Digital Service Providers (DSPs). The smaller DSPs do not have to be audited but just self-certify. To promote awareness, ABSIA ran a number of workshops on the Operational Framework in Sydney, Melbourne and Brisbane to provide assistance and education to our members.

Operational Framework will remain a focal point for DSPs given that it is expected to extended to cover the Digital Business Council's eInvoicing Framework and potentially other government departments and initiatives.

### Single Touch Payroll (STP)

It has been an interesting and event-filled year within the payroll and Single Touch Payroll (STP) areas. One of the largest changes to industry providers has been delivered with the

implementation of Phase 1 STP. The implementation of STP for businesses has been completed and the rollout process is now well underway. At the end of October 2018, there are approximately 47,000 employers successfully reporting through STP using more than 160 payroll software solutions. There is more work to do in order to transition organisations into an STP capable configuration.

ABSIA has worked with its members and the ATO to reduce uncertainty and help improve our member's ability to deliver on this important initiative. ABSIA held a number of workshops and information sharing events over the year that have led to greater interactions and engagements between members, ABSIA and the ATO.

Currently, ABSIA is working with the ATO to investigate the next steps for STP, including promoting micro businesses. At ABSIA's Annual Conference, Chris Howard will be joined by STP Assistant Commissioner, John Shepherd, to discuss the current status and future plans for STP.

### Practitioner Lodgement Service (PLS)

The migration from the Electronic Lodgement Service (ELS) to the new Practitioner Lodgement Service (PLS) has been a long journey that is getting closer to an end. The ATO announced that current ELS gateways will officially be closed in December 2018. ABSIA has been working with the ATO to ensure developers have the room to meet the ATO's needs for PLS and their client's expectations. ABSIA has good relationships with the E-Commerce teams in the ATO which has only become stronger as we are moving forward into the next phase of the value adding services.

The PLS strategic Working Group has had a large influence on the direction for new services and the closure of outdated existing services. Many of the ATO Portals and ATO online services are now either available or in development stages. ABSIA is chairing the discussions regarding the testing environments where we intend to drive for reasonable improvements to help the Developers and improve the quality of data in the system therefore resulting in a better outcome for all parties involved.

### ABSIA's New Internal Systems

Given ABSIA's industry position and the need to lead by example, to mitigate security vulnerabilities we identified within our internal systems, the Board and administration staff have been working on migrating ABSIA's current website to a new platform, Synergy 8. This new platform will include membership, invoicing and newsletters as well as the website itself. The 'Product Catalogue' will not be moving to the new platform with the ATO informing ABSIA that they will integrate the Product Catalogue function in the same place as the Operational Framework compliance assessments. The ATO are expecting this to have happened by the end of the year.

As a part of reviewing ABSIA's systems, the Board also came to a decision to move from WebEx to Zoom for Board meetings. This platform will now also be used to host other ABSIA meetings and communications.

### eInvoicing Special Interest Group (SIG)

After the joint announcement from the Australian and New Zealand governments about moving forward with a Trans-Tasman approach to eInvoicing, multiple agencies are now working together to create standards, frameworks and infrastructure to support the implementation of eInvoicing. As a result of this, ABSIA established a new eInvoicing Special Interest Group (SIG) in August. ABSIA, being a member of the Digital Business Council, is a key stakeholder and a representative voice for the business software industry on this matter. ABSIA has also been approached to help facilitate industry consultation with other regions.

This SIG will be working towards collating and bringing together all of the technical documentation and answers from the decision makers and key stakeholders to report this information back to the government. It is expected that the group will continue to meet at least every six weeks.

## Upcoming Programs

### Single Touch Payroll - Phase 2

ABSIA will be maintaining our ongoing commitment to the STP Advisory Group as the evaluation of the Phase 1 implementation is conducted and with the lead up to Phase 2 implementation. The ATO itself will continue to collaborate and support Digital Service Providers (DSPs) and intermediaries to help transition employers with 20 or more employees. In the next steps for STP, the ATO has sought expressions of interest from DSPs to develop tailored STP solutions for the micro employer market and they are aiming to work with these providers to bring solutions to the market, preferably by July 1, 2019.

The ATO is also working on delivering solutions for STP Employee Commencement and Activity Statements. ABSIA will continue working with the ATO in providing feedback and working with STP Working Groups on these initiatives.

### eInvoicing

ABSIA will continue to be heavily involved with discussions around eInvoicing. The ATO recently released a Discussion Paper on 'Early thinking: Operational governance for trans-Tasman e-Invoicing' and ABSIA will be consulting with members and key industry stakeholders to submit our findings and represent the industry's current stance on the governance of eInvoicing.

Our Annual Conference 'eInvoicing: Efficiencies and Industry Impacts in and for the Region' will be covering the region's experiences with eInvoicing to date and providing the platform for greater discussions about how the implementation of eInvoicing is likely to play out within the Trans-Tasman approach. We will be hearing first hand from government representatives and businesses currently testing and using eInvoicing gaining a better understanding of the benefits and challenges the widespread adoption of eInvoicing poses for the region.

## Contact Information

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President and Chair



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**Simon Foster**  
Treasurer and Director



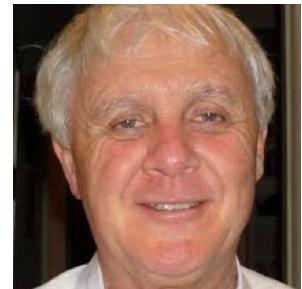
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