



## SENATE ECONOMICS COMMITTEE INQUIRY INTO AUSTRALIAN MANUFACTURING

10 SEPTEMBER 2021

### Introduction:

Sanofi is a global healthcare company with a strong presence in Australia. Our Australian consumer healthcare manufacturing centre in Virginia, **Brisbane has a dedicated team of over 200 people developing, testing, manufacturing, and packing high quality vitamin, mineral and supplement (VMS) products.** We use the best in science and world-class pharmaceutical quality standards to deliver medicines and products that take consumer needs into account across key areas including cough and cold, allergy, pain care, digestive health, and nutritional health.

Our Consumer Healthcare portfolio is diverse with brands that include Telfast, Ostelin, Nature's Own, Cenovis, Dulcolax, Bisolvon, Mersynofen, and Betadine. The major brands manufactured in Brisbane include Ostelin, Nature's Own and Cenovis, all of which are VMS. With a heritage, in some instances, spanning more than 70 years in Australia, many of our brands are household names that Australians have trusted for generations.

Sanofi's high-quality products are available in more than 5,780 pharmacies in Australia. In addition:

- We have high standards of compliance from source to shelf.
- Our Australian made products have a strong reputation in export markets.
- We consistently innovate our facilities to improve quality, safety, and energy efficiency.

**We have invested \$40 million in recent years in our local Australian manufacturing** giving us the capacity to produce 2.7 billion tablets every year. We are continuing to invest, to ensure our team stays at the forefront of Australian new product development and manufacturing.

Globally, Sanofi is dedicated to investing in research and development (R&D) that combines breakthrough science and advanced technology to develop life-changing medicines and vaccines. Manufacturing is a key part of our business. **We have a global network of 69 production sites and invest more than \$1bn every year to transform our industrial network.**

In 2020, the world rediscovered the strategic importance of securing the production and delivery of essential medicines and vaccines. **During the pandemic, 100% of our sites remained operational to continue to produce needed medicines and vaccines and distribute them to millions of people worldwide, including Australia.**

While the COVID-19 pandemic presents an opportunity to rethink our approach to manufacturing in Australia, we would encourage government to be methodical in charting a path forward that incentivises industries with natural competitive advantages.

Given the important role manufacturing plays to our business, Sanofi is pleased to provide our response to the Senate Economics Committee's inquiry into Australian manufacturing.



### **Response to Terms of Reference:**

At Sanofi's state-of-the-art manufacturing centre in Brisbane, our highly skilled team includes research and development, quality control, manufacturing, distribution, regulatory affairs, marketing, and other specialists. We control the creation and development of products from source to shelf, delivering unmatched quality in the market. Our commitment to high standards ensures the continued delivery of quality, market-leading health, and personal products for our consumers.

One of the strengths of Australia's complementary medicines sector are our high regulatory standards. Medicinal products containing such ingredients as certain herbs, vitamins and minerals, nutritional supplements, homoeopathic medicines, and aromatherapy products are referred to as 'complementary medicines' and are regulated as medicines by the Therapeutic Goods Administration (TGA). This provides users of complementary medicines – in both domestic and export markets – and added level of reassurance regarding the quality of the products.

Sanofi's manufacturing plant adheres to stringent internal and external quality control processes, using state-of-the-art analytical equipment. We use our international network to source high quality raw ingredients from Australia and around the globe. We also manufacture according to the Pharmaceutical Inspection Convention and the Co-operation Scheme Guide to good manufacturing practice for medicinal products. As a result, our Australian made VMS are highly regarded in overseas markets, in recognition of our strong regulatory standards and reputation for producing high-quality goods.

Currently, Sanofi's Consumer Healthcare business is exploring new export opportunities to countries in southeast Asia, as well as growing our business in the Pacific. Australia could further strengthen its position as a global leader in the manufacture of complementary medicines by tapping into its reputation as a producer of "clean, green and safe" horticultural products. There is an opportunity for Australian farmers to expand their operations to include new crops to supply more of the raw ingredients needed to produce complementary medicines.

At Sanofi, having a skilled, tertiary-educated workforce is critical to our ability to manufacture our range of VMS. We currently employ approximately 200 staff across Industrial Affairs and R&D at our Brisbane consumer healthcare manufacturing plant. Industrial Affairs includes production, supply chain, engineering, quality control, health safety and environment among others. We are proud of our high-end STEM positions, employing scientists and engineers. The R&D team employs scientists with level 7 -10 qualifications (Bachelor to Doctoral degrees), and engineering employs level 7 (Bachelor degree) engineers, as well as trade qualified engineers.

The main responsibilities of the onsite R&D staff include formulating and developing new and repatriation products, troubleshoot existing product formulations and assessment of new raw materials. Additionally, there is a specialised staff member who works exclusively on development and validation of testing methods for quality assessment and use of raw materials and finished product. One of our staff members is highly recognised internationally for his expertise with herbs.



The primary issue we have experienced in Australia when it comes to attracting and retaining manufacturing in Australia is the ability for Australia to engage and connect relevant stakeholders across jurisdictions and expertise. Government can encourage growth in the domestic manufacturing by supporting initiatives like MTPConnect, a not-for-profit organisation that seeks to accelerate the rate of growth of the medical technology, biotechnology and pharmaceutical (MTP) sector in Australia.

MTPConnect seeks to provide an ecosystem where scientific discoveries are developed from the proof-of-concept stage to successful translation and commercialisation. We believe this could be further strengthened with support of the relevant governments and experts in charge of, and with information, which could assist domestic manufacturing.

In relation to supply chains, Sanofi's global network of manufacturing plants have remained operational throughout the pandemic to help ensure continued supply of all Sanofi medicines and vaccines. However, increased government restrictions put in place by some countries during the early stages of the pandemic affected the flow of personal protective equipment (PPE) and some medicines, from raw materials to finished pharmaceutical forms. These measures had a serious and detrimental impact on the globally integrated supply chains that ensure quality, safety, innovation, and distribution of medicines and vaccines. This demonstrated that supply chain integrity is inextricably linked to the free move of pharmaceutical ingredients across international borders. To mitigate future supply chain risks, the federal government could consider incentivising robust and diversified global supply chains to ensure patients have continued and uninterrupted access to medicines and vaccines.

**Conclusion:**

Sanofi commends the Senate Economics Committee for convening this inquiry into Australian manufacturing. We are ready to contribute to further discussions on this topic to ensure any reforms in this area have the greatest likelihood of achieving the desired outcomes in driving investment in domestic manufacturing and contributing to the national economy.