



6 March 2020

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Email: economics.sen@aph.gov.au

Re: Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019

Sanofi is a global healthcare leader, which discovers, develops and distributes medicines and vaccines. We welcome the opportunity to make a submission to the Senate Economic Legislation Committee's inquiry into the Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019 (the Bill).

As a member of Medicines Australia, the peak industry body representing Australia's innovative research-based medicines industry, Sanofi supports their submission, which opposes the Bill in its current form.

Sanofi's consumer healthcare operation, employing close to 350 people is the only large-scale Australian based manufacturer of vitamin, mineral and supplements integrated with full research, manufacturing and packing capability. Over recent years, we have invested \$40 million to support and grow our Brisbane based research and manufacturing centre.

Our local pharmaceutical clinical studies unit employs 70 people and has an annual budget of approximately \$20 million. Our investment in clinical trials advances Australia's strong international reputation for high-quality scientific research. Importantly, it also enables early patient access to cutting edge therapies, delivering improvements in their health and quality of life.

The purpose of the Government's Review into the R&DTI, announced in 2015, was to reward additional investment in R&D, while also ensuring the integrity and fiscal affordability of the R&DTI. It is questionable whether the Bill in its current form has considered the overall recommendations of the Review.

We contend the Government has re-introduced a largely unchanged Bill, which the Senate Committee considered and recommended its rejection in 2018/19. As such, we support Medicines Australia's view that the Bill:

- weakens R&D incentives;
- creates commercial uncertainty regarding business expenditure; and
- disincentivises businesses with R&D and manufacturing ambitions.

In conclusion, as with Medicines Australia's submission, we are **opposed to the Bill and call on the Senate Committee to recommend the Senate reject the Bill.**



For further information please contact Stephen Richardson, Public Affairs Manager, at stephen.richardson@sanofi.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Yogita Nath", positioned above a horizontal line.

[Yogita nath \(Mar 6, 2020\)](#)

Yogita Nath

Chief Financial Officer

Sanofi Australia and New Zealand