



Hon Joe Hockey MP, Treasurer  
The Treasury  
Langton Crescent  
Parkes, ACT 2600

1 June 2015

Dear Treasurer

CSL Limited is a global biotechnology company headquartered in Australia. It is Australia's eighth largest public company and Australia's largest advanced manufacturer, with facilities in Australia, Europe and the US. CSL invests globally in new advanced manufacturing. This investment supports our continued growth and brings with it highly skilled, high wage jobs. Tax is one of the factors CSL has to consider when making these investments and we welcome an opportunity to participate in your Better Tax Review.

We find, in short, that Australia has an uncompetitive corporate tax rate compared to its OECD peers, and is becoming more so. While this does not hold back multinational firms like CSL, who have global choices over where to invest, it harms Australia by making it an unattractive location for investment in high value enterprises such as advanced manufacturing to serve global markets. These are sectors that, otherwise, have potential to grow and contribute substantially to the Australian economy.

To offset this disadvantage, we recommend that the Commonwealth establish an Advanced Manufacturing Tax with a corporate tax rate no more than 10%, applicable to new advanced manufacturing that is based on valuable Australian IP. We believe that this will deliver large benefits to the economy without imposing onerous burdens on government revenues.

The enclosed submission sets out our proposal and its rationale in more detail. If you, your staff or the Task Force would like to further discuss the issues raised in our submission, I would be delighted to make myself available.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Naylor', is written over a horizontal blue line. The signature is stylized and fluid.

Gordon Naylor  
Chief Financial Officer and Chair, CSL Australian Operations