

1. Regarding total revenues of Manufacturing Australia member companies: since these are a mix of public and privately held companies, I cannot provide a definitive answer as to the total revenue across all companies over the past decade. Based on the publicly available data a reasonable estimate would be ~\$200bn in revenue over the decade. This figure, however, is not relevant to the calculation of the R&D Tax Incentive and helps to underscore MA's concerns about the "intensity" measures in the bill. Each of these companies has a very large cost base, such that most would be placed in the 4.5% tier under the proposed legislation, down from 8.5% currently.
2. Regarding the retrospectivity of the changes, I cannot comment on the specific advice members are receiving about how to treat claims this year, however having reviewed the details and the other evidence provided by the ATO MA does agree that these changes will have a retrospective impact on existing claims.

Regards,
Ben Eade
Chief Executive Officer
Manufacturing Australia