



2cloudnine Pty Ltd
ACN 140 551 480
Level 2, 40 Albert Rd
South Melbourne 3205

23 October 2018

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Cuts to the R&D Tax Incentive

On behalf of 2cloudnine Pty Ltd we would like to express our concern with the proposed measures to significantly reduce the R&D Tax Incentive. We are a software company that has invested heavily in R&D over the last 4 years in order to build applications that serve a global market.

The R&D Tax Incentive has had a significant positive impact on our company's ability to invest in R&D and Innovation and has resulted in incremental jobs and revenue throughout the R&D and commercialisation processes with opportunity for further significant growth in jobs and revenue in the very near future. Without the R&D program we would not be in business today and therefore would not be in a position to be considering such tremendous growth opportunities ahead. With our business the governments return on the R&D incentive paid to us will be paid back many times over.

In the event that the proposed law is enacted, we will need to consider either reducing our R&D effort or relocating it offshore to a country where there is a more generous R&D Tax Incentive.

I would be happy to discuss our experience further with anyone on your committee to help provide a clearer context to our experience.

Yours faithfully

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Adam Edmondson

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CEO