

Submission No. 22

Consultation submission

Consultation: Review of the Low Value Turnover Exemption Scheme

We welcome the opportunity to make a submission regarding possible changes to the LVT Exemption Scheme in the interest of making the scheme more equitable and less burdensome.

Our company feels that there is a need for a LVT exemption scheme to reduce the financial and administrative burden on providers of essential medicines/devices that might otherwise not be viable in the Australian market. This includes companies, regardless of size, that provide unique and innovative products to particular groups such as practitioner-only dispensing ranges that may not generate a large revenue but provide a unique offering to a small group.

The LVT exemption scheme should also be retained

It is our experience that the scheme in its current form is inequitable and burdensome.

We support the suggestion to remove the \$15,000 per year cap on application fees as we understand that there are no administrative efficiencies gained on applications with a higher number of products.

We believe that the requirements for submitting an application before the end of the financial year with an **estimate of turnover** are burdensome in finance and administration. Instead, we propose that the full annual charge be paid for that financial year. At the end of the financial year, sponsors may then choose to apply for reimbursement of the annual charge based on whether or not the revenue threshold was achieved, using a **statement of actual turnover**. In essence, the difference in the procedure for new Register entries becomes aligned with the procedure for existing Register entries. There are one set of deadlines only, and no extension deadlines.

This will reduce the burden on businesses to estimate turnover, and also reduce the number of failed applications as businesses will only apply for reimbursement based on actual turnover. The implication for the TGA would be the reduction of revenue from application fees, and a new process for reimbursement, however, we consider this option to be more streamlined and equitable. The implication for businesses would be the payment of the full annual charge for products before the reimbursement is granted, and this may affect cashflow, however, we consider this to be costed in business decisions.

We look forward to the next round of consultations.