To Committee Secretariat,

I would like to express my considerable concern regarding the proposed Bill to tax orthopaedic sponsors as a means of underwriting the cost of maintaining the National Joint Replacement Register (NJRR). Although industry is fully supportive of the NJRR and in fact assisted with its establishment costs, the beneficiaries are far broader than the stakeholders that have been targeted. This assistance has been provided in good faith to the benefit of the overall public. If orthopaedic sponsors are expected to take on the burden of these costs, the impact of this would be to the detriment of those it is intended to serve.

We consider the reference data in the explanatory memo to be misleading in that it identifies the most expensive device rather than the real situation, i.e. the most expensive orthopaedic device at $67K is used as a point of reference which is an extreme outlier and rarely used. The real situation is more accurately reflected by the facts below:

- 47% of products have minimum benefits less than $1k
- 89% of products have minimum benefits less than $4K
- 99% of products have minimum benefits less than $8K

The tax may well strike at the commercial viability of some listed products, eg revision items, which may have low utilisation however are absolutely necessary. It would be very unfortunate if such a scheme limited the access to many of the options that are available today, to those who need them to function and participate actively within the community. Such a scheme could well have this impact with the end user of the technology being the loser.

Other salient points of concern include:

- The Prostheses List benefits have stagnated over recent years – minus 8% growth adjusted for CPI. There is no effective mechanism for passing on these costs by adjusting benefits;

- The public sector benefits from the NJRR, yet all costs will be channelled through the private health arrangements;

- There has been no consultation by DoHA with industry to attempt to develop a fair and equitable plan which should be a prerequisite to achieving the best outcomes possible for all. Passage of the Bill should follow appropriate consultation.

We strongly oppose the proposed Bill and would urge you to reconsider its implementation as although we appreciate the logic behind it being proposed, the very people it is intended to assist, i.e. the public, may well be disadvantaged.

Yours sincerely,

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