



## Small Business Asks For Delay In New Medical Devices Tax

The nation's regulator of dental products and other medical devices, the Therapeutic Goods Administration (TGA) has been asked to delay the introduction of a proposal that will see businesses pay a new tax to lawfully supply new and innovative products. According to the peak business organisation representing dental product manufacturers and suppliers, the Australian Dental Industry Association (ADIA), small businesses will be hit particularly hard by this measure.

"Small businesses across the dental industry are concerned about the proposed \$530 medical devices tax that the TGA wants to charge businesses placing new products on the register of medical devices that can be lawfully supplied in Australia. For many of these businesses it will affect the commercial viability of making available new and innovative dental products," said Troy Williams, ADIA Chief Executive Officer.

Although the TGA first flagged the proposal to introduce a new tax for placing low-risk (Class 1) medical devices on the Australian Register of Therapeutic Goods (ARTG) some twelve months ago, it was only in February 2018 that the TGA formally documented that the tax would go from \$0 to \$530.

"The TGA's commitment to engaging with industry on amendments to the quantum of funds it currently extracts from business has, and continues to be, first-rate; however, with respect to this new tax there has been no formal process of public consultation to assess the impact on small business," Mr Williams said.

The proposal to introduce the new medical devices tax has been placed before the Health Minister for consideration. ADIA has formally asked the TGA to withdraw its recommendation so that an appropriate level of public consultation can take place.

Acknowledging the technical debate as to whether the TGA's proposal constitutes a fee or a tax, ADIA suggests that the proposal needs to be looked at in its entirety.

"The increased funds that the TGA will be extracting from small businesses will be partially funding what any reasonable person would argue are the ordinary functions of government. These include public awareness campaigns, regulatory reform, departmental finance and audit activities plus enforcing sanctions and penalties. When business is being forced to pay for these functions describing the revenues as a new tax is not without merit," Mr Williams said.

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