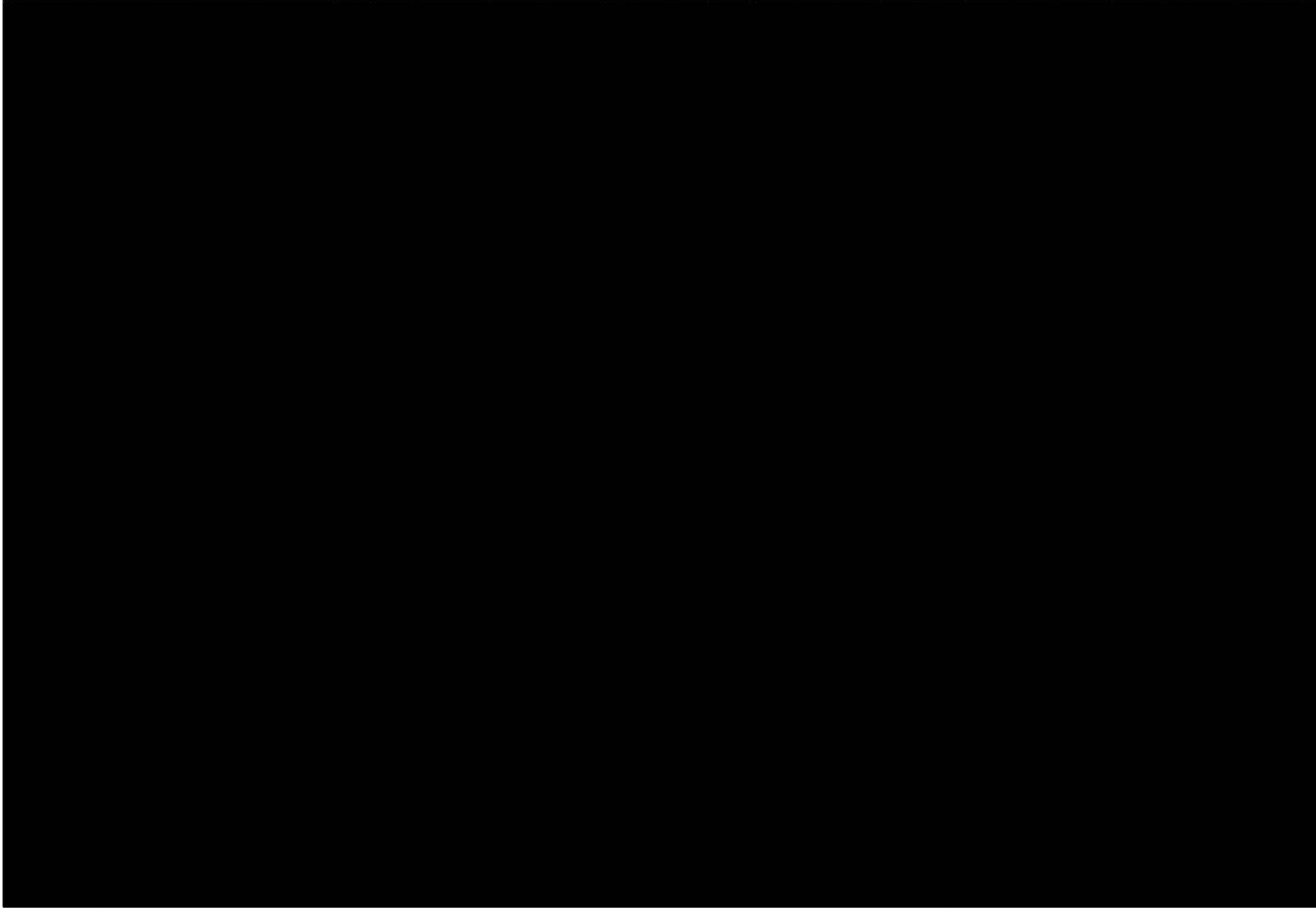


Scenario modelling

	Under current Scheme			Under proposed scheme						
	Rate	Total entries	Total paid	Rate reduced by	New Rate	LVT - zero turnover	Entries cancelled	Net entries	Annual charges	Total Impact
	\$	#	\$	%	\$	#	20%	#	\$	\$



Assumptions

The modelling is based on the 2014-15 existing entry (@ 1 July 2014) LVT applications

If an entry has turnover of greater than \$0 it is assumed the entry would no longer be eligible for exemption under the proposed scheme

The modelling does not take into account any waivers that may be granted under a separate waiver scheme being considered on public health grounds

Financial modelling to determine annual charge for 2015-16 under the new scheme (Version 9 January 2015)

Revenue	Item Code	2014-15 Annual Charges Revenue Budget							Projected revenue estimates after applying LVT changes										
		2014-15 Annual Charge		Gross Annual Charges 2014-15		2014-15 LVT		Net 2014-15 Revenue Budget		# of exemptions on the basis of low turnover in 2012-13	Expected entries losing exemption under the new scheme	Expected entries cancelled from the ARTG @50%	Expected entries paying annual charges	Proposed reduction in Annual charges	New Rate	Projected Revenue	Estimated ABC cost for 2014-15 (per 2012/13 ABC work effort surveys)	Under/over recovery	Comment
		\$	Units	\$	Units	\$	Units	Units	\$										
Device Class AIMD Annual Charge	ID1009	1,210	405	490,111	63	76,038	342	414,072	8	8	4	346	5	1,150	397,987	45,918	767%	Over-recovery	
Device Class III Annual Charge	ID1010	1,210	3,404	4,118,538	1,034	1,251,644	2,369	2,866,893	402	439	220	2,589	5	1,150	2,977,221	237,221	1,155%	Over-recovery	
Device Class IIb Annual Charge	ID1011	940	6,433	6,046,644	1,469	1,380,872	4,964	4,665,772	345	384	192	5,156	5	890	4,588,449	831,544	452%	Over-recovery	
Device Class IIa Annual Charge	ID1012	940	11,852	11,141,021	3,042	2,859,593	8,810	8,281,428	1,135	1,303	652	9,462	5	890	8,420,956	168,226	4,906%	Over-recovery	
Device Class 1 Sterile Annual Charge	ID1013	615	2,212	1,360,626	455	280,024	1,757	1,080,602	170	203	101	1,858	5	580	1,077,867	151,909	610%	Over-recovery	
Device Class 1 Measuring Annual Charge	ID1014	615	474	291,787	110	67,602	365	224,185	38	42	21	385	5	580	223,540	12,807	1,645%	Over-recovery	
Device Class 1 Annual Charge	ID1015	80	23,347	1,867,776	1,385	110,827	21,962	1,756,949	-	-	-	21,962	-	80	1,756,949	6,208,507	(72%)	Under-recovery	
Listed Devices Annual Charge	LD1007	1,350	26	35,100	4	5,484	22	29,616	1	1	1	22	2	1,320	29,628	579,173	(95%)	Under-recovery	
Listed Devices Annual Charge - IVD, Tampons & Disinfectants	LD1008	770	485	373,450	79	60,843	406	312,607	19	18	9	415	2	750	311,353	-	-	Over-recovery	
Registered Devices Annual Charge - IVD, Tampons & Disinfectants	RD1005	1,515	58	87,870	7	10,042	51	77,828	4	3	2	53	2	1,480	78,482	-	-	Over-recovery	
Registered Devices	RD1006	2,650	13	34,450	6	15,311	7	19,139	-	-	-	7	2	2,600	18,778	8,420	123%	Over-recovery	

Scenario 2 - if a lower annual charge for generic medicines - assumes 72% of prescription medicines are generic and 28% are innovators which is based on F1 and F2 split on PBS

Revenue	Item Code	2014-15 Annual Charges Revenue Budget							Projected revenue estimates after applying LVT changes										
		2014-15 Annual Charge		Gross Annual Charges 2014-15		2014-15 LVT		Net 2014-15 Revenue Budget		# of exemptions on the basis of low turnover in 2012-13	Expected entries losing exemption under the new scheme	Expected entries cancelled from the ARTG @50%	Expected entries paying annual charges	Proposed reduction in Annual charges	New Rate	Projected Revenue	Estimated ABC cost for 2014-15 (per 2012/13 ABC work effort surveys)	Under/over recovery	Comment
		\$	Units	\$	Units	\$	Units	Units	\$										
Device Class AIMD Annual Charge	ID1009	1,210	405	490,111	63	76,038	342	414,072	8	8	4	346	5	1,150	397,987	45,918	767%	Over-recovery	
Device Class III Annual Charge	ID1010	1,210	3,404	4,118,538	1,034	1,251,644	2,369	2,866,893	402	439	220	2,589	5	1,150	2,977,221	237,221	1,155%	Over-recovery	
Device Class IIb Annual Charge	ID1011	940	6,433	6,046,644	1,469	1,380,872	4,964	4,665,772	345	384	192	5,156	5	890	4,588,449	831,544	452%	Over-recovery	
Device Class IIa Annual Charge	ID1012	940	11,852	11,141,021	3,042	2,859,593	8,810	8,281,428	1,135	1,303	652	9,462	5	890	8,420,956	168,226	4,906%	Over-recovery	
Device Class 1 Sterile Annual Charge	ID1013	615	2,212	1,360,626	455	280,024	1,757	1,080,602	170	203	101	1,858	5	580	1,077,867	151,909	610%	Over-recovery	
Device Class 1 Measuring Annual Charge	ID1014	615	474	291,787	110	67,602	365	224,185	38	42	21	385	5	580	223,540	12,807	1,645%	Over-recovery	
Device Class 1 Annual Charge	ID1015	80	23,347	1,867,776	1,385	110,827	21,962	1,756,949	-	-	-	21,962	-	80	1,756,949	6,208,507	(72%)	Under-recovery	
Listed Devices Annual Charge	LD1007	1,350	26	35,100	4	5,484	22	29,616	1	1	1	22	2	1,320	29,628	579,173	(95%)	Under-recovery	
Listed Devices Annual Charge - IVD, Tampons & Disinfectants	LD1008	770	485	373,450	79	60,843	406	312,607	19	18	9	415	2	750	311,353	-	-	Over-recovery	
Registered Devices Annual Charge - IVD, Tampons & Disinfectants	RD1005	1,515	58	87,870	7	10,042	51	77,828	4	3	2	53	2	1,480	78,482	-	-	Over-recovery	
Registered Devices	RD1006	2,650	13	34,450	6	15,311	7	19,139	-	-	-	7	2	2,600	18,778	8,420	123%	Over-recovery	

Scenario 3- Generics 20% reduction, sectors with current over recovery 5% reduction and sectors with current underrecovery 2% reductions.

Revenue	Item Code	2014-15 Annual Charges Revenue Budget							Projected revenue estimates after applying LVT changes										
		2014-15 Annual Charge		Gross Annual Charges 2014-15		2014-15 LVT		Net 2014-15 Revenue Budget		# of exemptions on the basis of low turnover in 2012-13	Expected entries losing exemption under the new scheme	Expected entries cancelled from the ARTG @50%	Expected entries paying annual charges	Proposed reduction in Annual charges	New Rate	Projected Revenue	Estimated ABC cost for 2014-15 (per 2012/13 ABC work effort surveys)	Under/over recovery	Comment
		\$	Units	\$	Units	\$	Units	Units	\$										
Device Class AIMD Annual Charge	ID1009	1,210	405	490,111	63	76,038	342	414,072	8	8	4	346	5	1,150	397,987	45,918	767%	Over-recovery	
Device Class III Annual Charge	ID1010	1,210	3,404	4,118,538	1,034	1,251,644	2,369	2,866,893	402	439	220	2,589	5	1,150	2,977,221	237,221	1,155%	Over-recovery	
Device Class IIb Annual Charge	ID1011	940	6,433	6,046,644	1,469	1,380,872	4,964	4,665,772	345	384	192	5,156	5	890	4,588,449	831,544	452%	Over-recovery	
Device Class IIa Annual Charge	ID1012	940	11,852	11,141,021	3,042	2,859,593	8,810	8,281,428	1,135	1,303	652	9,462	5	890	8,420,956	168,226	4,906%	Over-recovery	
Device Class 1 Sterile Annual Charge	ID1013	615	2,212	1,360,626	455	280,024	1,757	1,080,602	170	203	101	1,858	-	615	1,142,911	151,909	652%	Over-recovery	
Device Class 1 Measuring Annual Charge	ID1014	615	474	291,787	110	67,602	365	224,185	38	42	21	385	-	615	237,029	12,807	1,751%	Over-recovery	
Device Class 1 Annual Charge	ID1015	80	23,347	1,867,776	1,385	110,827	21,962	1,756,949	-	-	-	21,962	-	80	1,756,949	6,208,507	(72%)	Under-recovery	
Listed Devices Annual Charge	LD1007	1,350	26	35,100	4	5,484	22	29,616	1	1	1	22	-	1,350	30,301	579,173	(95%)	Under-recovery	
Listed Devices Annual Charge - IVD, Tampons & Disinfectants	LD1008	770	485	373,450	79	60,843	406	312,607	19	18	9	415	-	770	319,656	-	-	Over-recovery	
Registered Devices Annual Charge - IVD, Tampons & Disinfectants	RD1005	1,515	58	87,870	7	10,042	51	77,828	4	3	2	53	-	1,520	80,603	-	-	Over-recovery	
Registered Devices	RD1006	2,650	13	34,450	6	15,311	7	19,139	-	-	-	7	-	2,650	19,139	8,420	127%	Over-recovery	



Financial modelling to determine annual charge for 2015-16 under the new scheme (Version 9 January 2015)

Revenue	Item Code	2014-15 Annual Charges Revenue Budget							LVT Application fees budget for 2014-15	Total Revenue to be generated	Projected revenue estimates after applying LVT changes						
		2014-15 Annual Charge	Gross Annual Charges 2014-15		2014-15 LVT		Net 2014-15 Revenue Budget				# of exemptions on the basis of low turnover in 2013-14	Expected entries losing exemption under the new scheme	Expected entries cancelled from the ARTG @50%	Expected entries paying annual charges	Proposed reduction in Annual charges	New Rate	Projected Revenue
			\$	Units	\$	Units	\$	Units									
Device Class AIMD Annual Charge	ID1009	1,210	405	490,111	63	76,038	342	414,072	5,785	419,857	8	8	4	346	0%	1,213	419,857
Device Class III Annual Charge	ID1010	1,210	3,404	4,118,538	1,034	1,251,644	2,369	2,866,893	95,224	2,962,118	402	439	220	2,589	5%	1,144	2,962,118
Device Class IIb Annual Charge	ID1011	940	6,433	6,046,644	1,469	1,380,872	4,964	4,665,772	135,231	4,801,004	345	384	192	5,156	1%	931	4,801,004
Device Class IIa Annual Charge	ID1012	940	11,852	11,141,021	3,042	2,859,593	8,810	8,281,428	280,045	8,561,474	1,135	1,303	652	9,462	4%	905	8,561,474
Device Class 1 Sterile Annual Charge	ID1013	615	2,212	1,360,626	455	280,024	1,757	1,080,602	41,915	1,122,517	170	203	101	1,858	2%	604	1,122,517
Device Class 1 Measuring Annual Charge	ID1014	615	474	291,787	110	67,602	365	224,185	10,119	234,304	38	42	21	385	1%	608	234,304
Device Class 1 Annual Charge	ID1015	80	23,347	1,867,776	1,385	110,827	21,962	1,756,949	127,529	1,884,478	-	-	-	21,962	-7%	86	1,884,478
Listed Devices Annual Charge	LD1007	1,360	26	35,100	4	5,484	22	29,616	-	29,616	1	1	1	22	2%	1,319	29,616
Listed Devices Annual Charge - IVD, Tampons & Disinfectants	LD1008	770	485	373,450	79	60,843	406	312,607	7,648.00	320,255	19	18	9	415	0%	771	320,255
Registered Devices Annual Charge - IVD, Tampons & Disinfectants	RD1005	1,515	58	87,870	7	10,042	51	77,828	610	78,438	4	3	2	53	2%	1,479	78,438
Registered Devices	RD1006	2,850	13	34,450	6	15,311	7	19,139	532	19,671	-	-	-	7	-3%	2,724	19,671

Revenue	Item Code	LVLV Revenue Code	Unit Price 2014-15	2014-15 Forecast LVLV Application Fees after exemption	
				Units	\$
LVLV Included Devices	LV8001	REIDPM-40152	\$ 155	4,489.35	695,849
LVLV Listed Devices	LV8007	RELDPM-40152	\$ 155	49.34	7,648
LVLV Registered Devices IVD Tampons Disinfectant	LV8009	RERDPM-40152	\$ 155	3.94	610
LVLV Registered Devices	LV8014	RERDPM-40152	\$ 155	3.43	532
<b>Total</b>					

total LVL devices 7,559 155 1,171,641

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Financial modelling to determine annual charge for 2015-16 under the new scheme									
Revenue	2014-15 Annual Charge	Expected entries cancelled from the ARTG @50%	Expected entries paying annual charges	Proposed reduction in Annual charges	New Rate	Projected Revenue	Estimated ABC cost for 2014-15 (per 2012/13 ABC work effort surveys)	Under/over recovery	Comment
	\$	Units	Units	%	\$	\$	\$	%	
Device Class AIMD Annual Charge	1,210	4	346	5	1,150	397,987	45,918	767%	Over-recovery
Device Class III Annual Charge	1,210	220	2,589	5	1,150	2,977,221	237,221	1,155%	Over-recovery
Device Class IIb Annual Charge	940	192	5,156	5	890	4,588,449	831,544	452%	Over-recovery
Device Class IIa Annual Charge	940	652	9,462	5	890	8,420,956	168,226	4,906%	Over-recovery
Device Class 1 Sterile Annual Charge	615	101	1,858	-	615	1,142,911	151,909	652%	Over-recovery
Device Class 1 Measuring Annual Charge	615	21	385	-	615	237,029	12,807	1,751%	Over-recovery
Device Class 1 Annual Charge	80	-	21,962	-	80	1,756,949	6,208,507	(72%)	Under-recovery
Listed Devices Annual Charge	1,350	1	22	-	1,350	30,301	579,173	(95%)	Under-recovery
Listed Devices Annual Charge - IVD, Tampons & Disinfectants	770	9	415	-	770	319,656	-		Over-recovery
Registered Devices Annual Charge - IVD, Tampons & Disinfectants	1,515	2	53	-	1,520	80,603	-		Over-recovery
Registered Devices	2,650	-	7	-	2,650	19,139	8,420	127%	Over-recovery