

ACT Health

File No.

Mr Philip Weickhardt
Commissioner
Medical Technology Study
Productivity Commission
LB2, Collins Street East
MELBOURNE VIC 8003

Dear Mr Weickhardt

Thank you for the opportunity to comment on the *Impacts of Medical Technology in Australia Progress Report*.

The progress report notes concerns regarding the transparency of decision-making processes in the assessment of new technologies. I would also encourage greater transparency in those processes, but with particular emphasis on the degree to which assessment processes encourage substantial new technological innovations.

Stakeholders in the ACT have expressed concern that the current system for assessing prices for new technologies emphasises development processes rather than rewarding substantial technological innovations. In their opinion, this process driven approach tends to encourage industry to focus on the development of relatively minor variations on already existing technologies, and may divert funds from universities and small start up companies that are often the source of true technological innovations.

I look forward to seeing the final report.

Yours sincerely

5/7/05

Dr Tony Sherbon
Chief Executive