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November 13, 2000

Ms Helen Owens
Presiding Commissioner
Cost Recovery Inquiry
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003



Dear Ms Owens,

Submission to the Productivity Commission re Government Cost Recovery

SSL Australia Pty Ltd is a medium sized manufacturer and supplier of healthcare and consumer brands. We are members of the Medical Industry Association of Australia (MIAA) and we would like to register our support of the MIAA submission to the Productivity Commission.

SSL Australia's particular concern is the recently introduced 100% Cost Recovery within the Therapeutic Goods Administration as we believe that it is a disincentive to healthcare delivery and industry development.

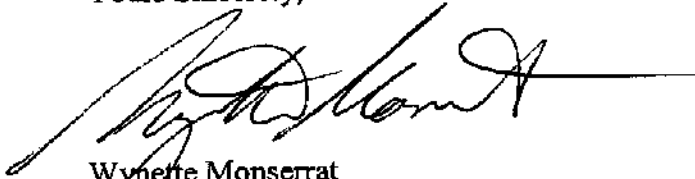
SSL Australia predominantly sells medical devices. The medical devices industry is a very competitive one with many companies of all sizes participating. The competitive environment means that Australia enjoys some of the lowest medical device prices in the world despite the small size of the market. This has been made possible by the historical low barriers to entry for imported medical devices including TGA fees and charges.

Cost increases in recent years (particularly the move from 50% cost recovery to 100% cost recovery) have made decisions to introduce new or competing products difficult for many small to medium sized companies. The size of the Australian market, which is only 1% of the world medical device market, means that the ability to recoup the costs of TGA fees and charges over product life is small. SSL Australia has already decided not to introduce particular products as it would take many years to recoup the TGA fees and

charges in the small Australian market. Decisions made by companies not to introduce new products means that the community is denied new healthcare solutions and the competitiveness of the market is reduced.

SSL Australia supports the MIAA call for fees to be returned to the 50% cost recovery arrangement which applied until 1998. We would be happy to provide further information if required.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Wynette Monserrat', with a long horizontal flourish extending to the right.

Wynette Monserrat
Business Unit Manager
Medical Division