



An Action Plan to unlock demand for Australian medtech

A practical roadmap for turning existing intent, policy and capability into purchasing outcomes for Australian medtech manufacturers.



Message from AMMA Partners



VISION

Better care for patients. A stronger, more sustainable health system. And an Australian medtech industry with the commercial depth to supply both - creating the jobs, resilience and global standing that only come from making things here.

It is simple. We decided decades ago as a country that we want to make medical technology. We invested in medical research, trained engineers and built the foundations for genuine industrial capability. That investment is paying off. We are innovators, and the progress made in recent years demonstrates what is possible when health, industry and government work together.

But there is more to do. Australia's medtech pipeline is strong and growing. Cochlear, ResMed and CSL show what is possible; the next wave is emerging. These companies are not built overnight. They are the product of decades of investment in research, skills, manufacturing capability and market development. The opportunity now is to back what we have built - and let it deliver.

Too many promising technologies are hitting the same walls: no clear pathway to first customer, no incentive for health services to back local product, no bridge between clinical promise and commercial reality. These are specific, fixable gaps in an otherwise strong system. The decisions we make now - the procurement models we design, the partnerships we build and the investments we prioritise - will shape what our health system looks like and the opportunities it creates for decades to come.

This action plan sets out practical steps to close those gaps. Two matter most: a defined procurement pathway that gives innovative local products a genuine route to first customer acquisition, and a policy mechanism that aligns health and industry incentives so that choosing locally made becomes commercially rational for health services. These are the critical levers, get them right and momentum builds.

Australia will always be part of a global healthcare ecosystem, and building local capability is precisely what enables us to innovate, compete and contribute on a global stage.

We know what is required. We are asking for the specific settings that turn a strong foundation into a thriving industry - for health, for industry and for the economy.

Because better health is made right here.

The Opportunity

A substantial opportunity
hiding in plain sight

Australia already spends over \$8.5 billion each year on medical technologies. Yet only a small proportion of this expenditure currently supports Australian-owned companies or local manufacturing activity.

By strengthening pathways to adoption, procurement and scale-up, Australia has an opportunity to retain more value onshore for longer - enabling more companies to reach meaningful scale, sustain local operations, and compete globally.

What success looks like

Over the next five years, even modest improvements in local participation have the potential to accelerate industry growth, support hundreds of skilled jobs help more Australian innovations reach patients, strengthen healthcare resilience, support hundreds of skilled jobs and attract private investment - while helping more Australian innovations reach patients both locally. The result is a stronger health system and globally stronger manufacturing sector, built from the same purchasing decisions.



\$8.5b

Annual health system spend on
medical technology as at 2025



850+

Australian medtech firms



\$425m+

Estimated contestable opportunity
if a 5% local participation shift
achieved based on 2021-22 expenditure

Industry Outcomes



An accelerated path to first purchase

Promising technologies move through a recognised, predictable pathway to their first customer - ending years of procurement paralysis.



Australia as an internationally recognised testbed

Local clinical validation becomes a springboard to export - making Australia the destination of choice for companies seeking real-world proof before global expansion.



Private capital follows credible demand

Reliable procurement signals unlock private investment in onshore manufacturing - converting policy intent into commercial scale value without ongoing public subsidy.



Jobs and capability that compound over time

A growing share of Australia's annual medtech spend converted into high-value local jobs, engineering depth and sovereign manufacturing capability.

Health System Outcomes



Better patient outcomes

Faster access to local technologies that demonstrably improve care - evaluated on outcomes delivered, not unit price alone.



A workforce better supported to stay

Clinicians equipped with tools built for Australian workflows - reducing burden, improving efficiency.



Lower total cost of care

Procurement that captures whole-of-pathway value, with local technology one lever for reducing downstream costs and unnecessary interventions.



Supply chains that don't fail patients

Greater supplier diversity and reduced single-source dependence in critical categories, so care continues when global supply is disrupted.

These outcomes are two sides of the same policy action. Smarter purchasing creates the demand that sustains local manufacturers. Local manufacturers deliver the supplier diversity, clinical innovation and sovereign resilience that make the health system stronger. The result is a system where health and economic objectives become mutually reinforcing rather than competing priorities.

Who this plan is for

Three groups, one system

This plan only works if health, industry and government move together. Each has a different stake in the outcome and a different starting point.

Health System Leaders

Doing more with less

Health system leaders are under simultaneous pressure to improve patient outcomes, reduce costs and ease workforce strain. They operate under strong incentives to minimise near-term procurement risk and are accountable for value-for-money outcomes.

Australian Medtech Industry

First customer as a priority, not another taskforce

Many Australian medtech companies have the product, the regulatory approvals and the demonstrated capability. Without a first meaningful purchase, companies cannot justify the investment needed to scale, reduce unit costs or attract private capital.

Government

A stronger return on public investment

Australia – and Victoria in particular – has already invested in the foundations of a successful medtech sector. The challenge now is ensuring those investments translate into patient outcomes, commercial adoption and industrial growth. This plan identifies pragmatic reforms to help close that gap.



Where to start

Two priority actions. Delivered as near-term demonstrator programs.

This plan sets out 17 actions across four areas. Two are the highest-leverage starting points. The goal is to test these ideas in the real world, generate evidence and, if successful, build the case for broader funding and rollout.

Most actions can be implemented through policy, procurement and coordination reforms, with only a small number requiring direct financial investment.

PRIORITY ACTION 1 – RECOMMENDATION 3.3

A pathway to first purchase

A dedicated product-to-purchase program that gives innovative, locally made technologies a faster, more predictable route to first customer acquisition. De-risking the journey from regulatory approval to routine use in the health system.

Demonstrator project: test & refine → evidence → broader rollout

PRIORITY ACTION 2 – RECOMMENDATION 1.5

Aligning health and industry incentives

A policy mechanism that makes it commercially rational for health services to choose locally made, aligning procurement decisions with industry development goals without compromising value-for-money obligations.

Working group recommendation within 12 months

Understanding the sector

A world-class sector with a structural gap

Australia's medtech sector is globally competitive and innovation-intensive. It spans the full spectrum of products, from high-volume consumables and surgical instruments to advanced implants, diagnostics and digitally enabled devices. The sector is strongly export-oriented, design-led, and anchored by companies that have demonstrated what is possible when local capability reaches global scale.

Australia is recognised as a highly innovative medtech nation, accounting for an estimated 6% of global medtech patent filings, produces 3% of global research output from 0.3% of the world's population, and hosts a maturing network of contract design and manufacturing organisations that support both local and international suppliers. Established Australian anchor firms including CSL, Cochlear, ResMed, Telix and Nanosonics demonstrate what is achievable from a local base.

\$11.4b

Total sector
revenue (2021-22)

\$1.95b

Exports
(2021-22)

51,300

Total jobs
supported

Despite these strengths, domestic manufacturing capability is often under-scaled relative to global peers. The sector is dominated by innovative small firms that can develop world-class technologies and navigate complex regulatory requirements, yet often struggle to secure the early customers needed to scale. Demand is fragmented across the health system and difficult to navigate, creating a significant barrier to first adoption. Without a clearer pathway from innovation to procurement, promising technologies frequently look overseas for their early growth opportunities. Australia then captures the cost of developing innovation, while other markets capture a greater share of the manufacturing, investment and economic returns.

Why health system leaders should care about local medtech

Medtech as a health system asset

Health systems are most often described in terms of workforce, hospitals and funding. But modern care delivery depends equally on continuous, reliable access to medical technology. In 2022–23, Australia recorded 12.1 million hospital admissions involving 26.8 million clinical interventions, and 196.9 million Medicare-subsidised pathology and imaging services. Each of those interactions relied on medical technology.

That dependence creates strategic exposure that is difficult to map and manage. Internal analysis at a major Australian health service suggests more than 95% of medical technology is sourced from overseas. In diagnostics, more than 97% of components are imported. In many categories this is efficient and appropriate. But where supply chains are concentrated or fragile, that dependence creates a risk that sits largely invisible until disruption occurs.

More importantly, it means Australia is not fully leveraging the purchasing power of its healthcare system. With approximately \$270 billion spent on health each year - equivalent to around 10% GDP and \$10,000 per person - even small changes in how demand is shaped can improve health outcomes, support innovation and strengthen local capability. Instead, healthcare spending is treated primarily as a cost to be managed rather than a strategic asset to help shape solutions to local health system needs.

95%+

Of medical technology used in major health services is imported. Internal analysis at a major Victorian health service.

97%

Of diagnostics and raw pathology components are imported. In categories like high-volume consumables and diagnostics, there is almost no domestic fallback when global supply is disrupted

Innovative medtech is essential to long-term health system sustainability

Healthcare sustainability is one of Australia's defining policy challenges. Demand continues to grow, costs are rising and workforce pressures are intensifying. While ongoing procurement reform can deliver important cost savings through stronger contract management and collective buying power, it cannot by itself solve the structural challenges. Long-term sustainability requires productivity growth - finding ways to deliver better health outcomes with the same or fewer resources. Innovation is therefore not optional but essential. Alongside workforce, infrastructure and service reform, medical technology represents one of the most powerful innovation levers available to improve productivity, support new models of care and address some of the health system's most pressing challenges.

Medical device shortages have real clinical consequences

A 2025 European survey of 859 hospital pharmacists across 36 countries found that more than half reported medical device shortages as a problem in delivering best care to patients - with delays in care, extended hospital stays and cancellation of treatment the most commonly reported consequences. Supply chain failures and the discontinuation of device components were the leading causes. Recent Australian incidents involving sterile consumables and IV fluids suggest similar vulnerability exists here, yet we lack an understanding of its scale and impact. Unlike medicines, where mandatory reporting to the TGA has been in place since 2019, there is no national framework for reporting medical device shortages.

Australian patients and the health system miss out on innovations they help create

The health system plays a central role in creating Australian medtech through clinical trials, medical research partnerships, and the expertise of its workforce. These contributions help attract and retain skilled healthcare staff, advance clinical practice, and support the growth of local medtech companies.

Yet the technologies developed through these collaborations are rarely adopted by the Australian healthcare system. This is a significant loss. Australian patients are often among the last to access innovations their own health system helped create and that they helped fund, and the clinical and efficiency gains from those innovations flow to health systems elsewhere.

The selective case for local medtech

Global sourcing is efficient in most categories and will remain the foundation of the Australian health system. The question is in which categories does local capability provide enough resilience, value, competitive benefit or strategic advantage to justify targeted support?



Why the system stalls

A market design problem

The purchasing decisions of the health system reflect, and over time shape, the structure of the market itself. Because health purchasing is large, recurrent and often locked into multi-year contracts, procurement choices influence which suppliers can sustain themselves, which technologies get adopted, and how much competitive diversity remains available in future rounds.

Current settings are not designed to support diversity, technology adoption or supplier scale-up. Health buyers operate under strong incentives to minimise upfront unit cost, use centralised and bundled purchasing to reduce administrative overhead, and apply risk-averse evaluation criteria that favour established products and large incumbents. In aggregate, these pressures make it very difficult for capable local firms to secure the first meaningful sales needed to build volume, reduce unit costs and justify manufacturing investment.

For many medtech companies, procurement outcomes are a major determinant of whether manufacturing investment occurs locally or offshore. The bottleneck is a missing bridge: between clinical validation and commercial production, between pilot interest and first purchase, between a technology that works and a health service interested enough to buy it. This action plan is built around closing that gap.

Why timing matters

A window that will not stay open

Australia still has real medtech capability, a strong innovation pipeline, and policy momentum. But much of that capability sits in firms that are commercially sensitive to demand uncertainty.

Capability erodes quietly. A sector can appear healthy because it continues to generate startups, patents and innovation announcements, while simultaneously losing production depth and supplier density. Once lost, these assets are slow and expensive to rebuild.

The next generation of major Australian medtech companies is already well into its development journey. The window to support them through the critical middle stage, from validated technology to scaled local manufacturer, is open now. Acting now means modest, targeted reforms. Waiting means larger interventions for smaller returns, against a more concentrated global competitive landscape and a thinner domestic base.

Recommended Actions

Four priorities, 17 actions

Actions marked priority are the highest-leverage interventions. The remaining actions build the surrounding conditions for sustained impact. Many of the foundations already exist. The task is coordinated implementation.

KEY

● Federal Government ● State & Territory Government
● Industry ● Health Services

1. Make it easier for health to buy locally made medical products

- 1.1 Establish a time-limited whole-of-government working group to address policy and process misalignment ●●
- 1.2 Review and simplify procurement processes to remove barriers to competition for capable firms, including SMEs ●
- 1.3 Improve visibility of credible local suppliers to health buyers ●
- 1.4 Build tender ready companies ●●
- 1.5 Reward health services who purchase locally manufactured products ●

2. Look beyond price to improve health system performance

- 2.1 Define simple metrics to measure value and delivered benefits ●●
- 2.2 Leverage digital technologies to collate and analyse product outcomes ●●
- 2.3 Run a testbed program to build evaluation capability in evaluation sites ●●
- 2.4 Focus initial effort on priority categories with the greatest potential for direct system benefit ●

3. Provide a coordinated pathway to market from innovation to first purchase

- 3.1 Publish health purchasing and demand data to help suppliers identify opportunities for growth ●
- 3.2 Align the early-stage pipeline with health purchasing ●●
- 3.3 Bridge the gap from prototype to first purchase through a technology adoption program ●●●
- 3.4 Use a national buyer network to streamline product evaluation ●●

4. Supercharge strategic medtech sub-sectors where Australia can build manufacturing depth

- 4.1 Recognise life sciences, including medtech, as a priority under the Future Made in Australia Act ●
- 4.2 Conduct an opportunity analysis to identify priority sub-sectors and critical manufacturing nodes ●
- 4.3 Build an alliance of medtech supply-chain partners to make better use of existing capability ●
- 4.4 Provide nationally coordinated support to build critical mass and surge capability ●●



Priority 1

Make it easier for health to buy locally made medtech products

Australia has local medtech manufacturers with the capability and ambition to supply the health system. Yet policy settings, procurement processes and information gaps can make it difficult for health services to identify, assess and engage them. These barriers disproportionately affect SMEs and emerging manufacturers, limiting their ability to participate in health purchasing.

Improving supplier visibility, reducing unnecessary barriers to participation, strengthening procurement capability, aligning incentives and better coordinating policy across government can make it easier for health services to buy locally where suppliers can meet their needs.

1.1 Establish a time-limited whole-of-government working group to address policy and process misalignment

Led jointly by health and industry portfolios, with representation from defence and education where relevant. Mandated to deliver targeted, implementable reforms within 12 months, with a clear implementation owner for each reform. Two immediate focus areas: the incentive mechanism in 1.5 and SME access improvements in 1.2.

1.2 Adopt well-tested SME participation mechanisms to improve access for capable local firms

Commonwealth and state governments already have policies aimed at supporting SME access to public procurement, but these are not widely applied in medtech purchasing. Health services should review whether procurement design is excluding capable SMEs and, where it is, adopt established practices to preserve a sensible share of contestable spend for smaller and emerging firms. This protects competition and innovation over time, particularly in categories where switching costs are high and incumbent supplier concentration is increasing.

1.3 Improve visibility of credible local suppliers across health procurement systems

Health buyers often lack awareness of what is available locally. A curated supplier directory is a useful starting point, but visibility needs to be embedded in the systems health buyers already use so that locally made options are identifiable in routine sourcing. A small network of category leads could help curate and maintain shortlists in specialised markets, and a standardised pre-qualification process could support confident engagement with new suppliers. Industry also has a role: ensuring the companies presented to health buyers are qualified, or at minimum ready for qualification, is as important as making them visible.

1.4 Build procurement-ready companies

Many capable Australian firms struggle to navigate complex public procurement requirements. Three low-cost activities can close this gap: improving forward procurement plan detail and early supplier engagement so companies can prepare and partner ahead of tenders; providing focused procurement capability uplift for market-ready companies, including procurement masterclasses, workshops on navigating government procurement pathways, and direct connection to health service buyers and clinical leaders, building on the model established by AMMA's Pathway to Market program; and publishing clear minimum-readiness checklists for self-assessment.

★ PRIORITY

1.5 Create an incentive mechanism to recognise health services that grow local medtech participation

Health services face strong incentives to minimise near-term cost and risk, which can discourage trial or adoption of locally manufactured products even where these meet or exceed clinical and commercial requirements. A time-limited incentive mechanism recognising verified growth in local medtech participation, structured so health services still apply normal safety, probity and value-for-money tests, could help offset the real switching and adoption frictions without compromising procurement integrity. Outcomes should be monitored using existing reporting processes to minimise administrative burden. The specific design of this mechanism is a key focus of the working group in action 1.1.

Priority 2

Look beyond price to improve health system performance

In some medtech categories, the purchase price of a device is only a small part of the total cost of care. The effects on patient outcomes, workforce time, service continuity and downstream costs can be much larger. Where these are not measured, procurement can default to the cheapest product and inadvertently increase overall system cost. Better measurement of delivered value benefits the whole health system, not only local suppliers. It gives any innovative supplier a fairer path from pilot to first purchase, and gives health services better information for managing contracts over time. The actions below provide a pragmatic approach for translating existing policy intent into real-world outcomes. They focus on developing simple tools to measure value and testing their application in purchasing decisions to build the evidence, capability and partnerships needed for broader reform.

2.1 Define simple metrics to measure value and delivered benefits

The first step should be modest and practical: in selected categories, measure total cost of ownership and a small number of delivered benefits using methods that are low-burden, independently validated and routinely reported through contract management. This approach aligns with longstanding recommendations to make procurement more evidence-based and consider outcomes and system-wide costs alongside price. Existing value-based procurement models, including those used by NHS Supply Chain, provide a useful reference point for implementation.

2.2 Leverage digital technologies to collate and analyse product outcomes

Use existing digital health infrastructure to build a more systematic picture of how products perform in practice, reducing reliance on supplier claims and enabling performance-based contracting. The ambition is reporting built into tender design from the outset, so agreed metrics can be tracked in near real time rather than assembled retrospectively.

2.3 Run a testbed program to build evaluation capability at early-adopter sites

Establish a network of early-adopter sites with the capability and mandate to test new procurement models and generate real-world evidence that can be used across the system.

2.4 Focus initial effort on priority categories with the greatest potential for direct system benefit

Select categories where the gap between unit price and total system value is largest and where local suppliers are closest to market readiness, to maximise the early evidence base for this approach.



Priority 3

Provide a coordinated pathway to market from innovation to first purchase

Too many viable Australian technologies stall before meaningful adoption, or are moved offshore before the local market has had a realistic chance to adopt them. Without a credible route to procurement, companies struggle to attract private capital or justify manufacturing investment. When the Australian market is too hard to enter, companies tend to focus on the US or other large markets, sometimes without fully evaluating the opportunity to use Australia as a testbed or early source of stable, reference revenue. The local industry then weakens, and the perception that there is limited capability to supply health becomes self-fulfilling. The actions below provide a coordinated approach to improving the pathway from innovation to adoption. Together, they help align innovation with health system needs, improve visibility of market opportunities and reduce the barriers that prevent promising technologies from progressing to first purchase and broader adoption.

3.1 Publish health purchasing and demand data to help suppliers identify growth opportunities

Manufacturers currently lack visibility of the Australian market: what products are used, how much is purchased, where shortages occur. An indicative annual dataset of product sub-category spend would allow suppliers and investors to make better-informed decisions about which products have a viable commercial pathway in Australia.

3.2 Align the early-stage pipeline with health purchasing priorities

Innovation funding and health purchasing currently operate largely in isolation. Research grants, translation programs and early-stage support rarely align with actual health system demand or a credible pathway to procurement. A small number of coordinated tools - health-led challenge statements that define unmet clinical and system needs, early-buyer feedback forums, and evaluation criteria in innovation programs that give weight on Australian market readiness - would help direct the pipeline toward problems the local health system is positioned to adopt and fund.

★ PRIORITY

3.3 Bridge the gap from pilot to first purchase through a product-to-purchase program

This recommendation addresses the most significant commercialisation gap identified through AMMA's industry engagement activities. Many technologies stall in a stalemate: companies need a forward order to justify scale-up; health services require commercial production before committing; investors will not underwrite companies without a credible first order. A dedicated procurement pathway could provide a risk-sharing model, with time-limited early contracts, clear eligibility criteria, defined decision gates and probity-safe mechanisms, reserved for products with significant potential value that could transition into standard procurement processes at the end of the program. The initial focus should be on pilot programs that test and refine this model in real-world settings.

3.4 Build a shared health technology evaluation network to reduce duplicated effort

Health services currently assess new technologies in parallel independently, duplicating effort and generating evidence that is difficult to reuse across sites. A coordinated national evaluation network, supported by common site trial templates, peer learning and shared performance data, could reduce assessment costs for individual services and accelerate adoption of technologies that perform well, while preserving local procurement decision-making and governance.

Priority 4

Supercharge strategic medtech capabilities where Australia can build manufacturing depth

Australia participates across a wide range of medtech categories, but manufacturing depth within each is often limited. A broad but shallow industrial base is vulnerable: the loss of even a small number of suppliers can create persistent gaps in domestic capability. Sustainable manufacturing ecosystems require critical mass - enough firms, suppliers, skills and supporting infrastructure to reinforce one another over time. Rather than spreading effort thinly across the entire sector, Australia should focus on building depth in areas where health relevance, sovereign need and existing capability already align. With coordinated policy attention and targeted investment, these areas can become the foundation of globally competitive manufacturing clusters.

4.1 Recognise life sciences, including medtech, as a priority under the Future Made in Australia Act

Formal recognition unlocks coordinated policy attention and signals to industry that government is committed to medtech as a long-term industrial priority alongside health procurement.

4.2 Conduct an opportunity analysis to identify priority capabilities and critical manufacturing nodes

Map the medtech value chain to identify the decisive points where targeted investment in local production, specialist inputs or know-how would deliver the greatest economic and sovereign benefit. This means looking beyond final assembly to the broader ecosystem: repeat demand, specialised component supply, skilled labour, regulatory expertise, and the supporting institutions that allow firms to invest and grow. Priority capabilities are likely to be those where health-system relevance is high, some domestic capability already exists, global supply is concentrated or fragile, and there is a realistic commercial pathway.

4.3 Build an alliance of medtech supply-chain partners to make better use of existing capability

Many Australian manufacturers are unaware of complementary local capability. A structured alliance of supply-chain partners can increase utilisation of existing facilities, reduce costs through shared infrastructure, and build the supplier density that sustains a manufacturing ecosystem.

4.4 Provide nationally coordinated support to build critical mass in priority capabilities

Coordinate existing state and federal investment to build genuine depth in priority manufacturing capabilities. This means supporting not just individual companies but the surrounding infrastructure as identified in recommendation 4.2. Surge capacity for essential and vulnerable categories is one benefit of this depth, but the primary goal is an ecosystem strong enough to sustain investment, attract talent and generate the next generation of globally competitive Australian medtech companies.

The ask

The foundations are strong. Australia has the researchers, the manufacturers, the clinicians and the companies. What is missing is the connective tissue: the procurement pathways, the demand signals and the commercial incentives that turn promising technology into scaled, locally made product.

Two actions create the conditions for everything else. A procurement pathway that connects promising technologies to their first meaningful purchase. And a policy mechanism that makes choosing locally made commercially rational for health services. Both can begin as contained, real-world pilot projects that generate real-world evidence quickly and make the case for broader rollout.

Many of the other 15 actions in this plan are already within reach. Small moves from each of the three groups, taken now, begin to shift the conditions without waiting for a formal program.

The opportunity is real. The foundations already exist. What happens next depends on whether health, industry and government choose to act together.

Sources and methodology

Sector size, jobs and exports

Nous Group (2023). The Value of MedTech. Prepared for the Medical Technology Association of Australia (MTAA). Used for sector revenue (\$11.4b, 2021–22), direct and total jobs (17,028 and 51,309), exports (\$1.95b) and gross value add (\$4.1b direct, \$5.4b with indirect effects).

Sector firms and pipeline

Austrade (2025). Australian MedTech Industry Capability Report 2025. Used for number of firms (850+), SME rates, and pipeline company examples.

Patent rankings

Nous Group (2023). The Value of MedTech. Prepared for the Medical Technology Association of Australia (MTAA). Medtech patent filings growing ~7% p.a. since 2010; Australia accounts for an estimated 6% of medtech patents, ranking second globally for commercialisation of intellectual property (IP) assets.

Research output

Institute for Scientific Information (ISI), Clarivate (2024). G20 Scorecard 2024. Australia produces ~3% of global published research from 0.3% of world population. All published research, not specific to medtech. clarivate.com/academia-government/the-institute-for-scientific-information/2024-g20-scorecard

Hospital activity and pathology volumes

Australian Institute of Health and Welfare. Hospitalisations and Patient Days; Surgery and Other Interventions; Pathology, Imaging and Other Diagnostic Services. 12.1m hospitalisation, 26.8m interventions, 196.9m Medicare-subsidised pathology and imaging services (2022–23).

Import dependence (health services)

MTPConnect & Pathology Technology Australia (PTA). (2023). Diagnostic Technology Sovereign Capability & Resilience: A National Action Plan. Delivered by MTPConnect in partnership with Pathology Technology Australia (PTA) and supported by HTANALYSTS. 97%+ of diagnostics and raw pathology components are imported.

Import dependence (ARTG registrations)

Desktop analysis of the Australian Register of Therapeutic Goods (ARTG), as at 31 December 2025. Of 25,152 devices registered over the five years to December 2025, 93.7% listed an overseas manufacturer. Note that one ARTG listing may cover multiple related products so this is not an indication of the number of approved individual products available in the market.

Device shortage impacts on patient care

European Association of Hospital Pharmacists (2025). EAHP Medicines Shortages Survey 2025. 59% of healthcare professionals reported device shortages had directly impacted patient care; supply chain problems most commonly cited cause.

Supply chain disruption: sterile consumables recall (2025)

Therapeutic Goods Administration (2025). TGA Action ID RC-2025-RN-00160-1. In March 2025, the TGA issued a Class I recall for certain chlorhexidine swab sticks and prep pads due to potential *Achromobacter* contamination, with health-sector notices also recording a related critical quarantine of additional skin-preparation products while investigations continued.

Supply chain disruption: IV fluids

Hurricane Helene flooding of Baxter's IV fluid manufacturing plant (North Carolina, 2024), contributing to prolonged global IV fluid shortages and prompting local production investment in Australia.

Manufacturer reshoring trends

McKinsey & Company (2023). Tech and Regionalization Bolster Supply Chains, but Complacency Looms. Around two-thirds of manufacturers globally are regionalising or near-shoring parts of their supply chains to reduce exposure to disruption.

Public procurement as a share of GDP

OECD (2017). Public Procurement for Innovation. Public procurement accounts for 12% of GDP and 29% of total government expenditure on average across OECD countries.

SME procurement policy

OECD (2018). SMEs in Public Procurement: Practices and Strategies for Shared Benefits. European Commission. Teach SMEs How to Tender. Both cited for established practices to improve SME access to public procurement.

Value-based procurement metrics

NHS Supply Chain. Value Based Procurement. Defines value as tangible, measurable financial benefit beyond purchase price and/or measurable improvement in patient outcomes, across five benefit types: reduced product consumption, inpatient to day case shift, change in patient pathway, operational productivity, and reduction in infection.

2016 health procurement taskforce

Global Access Partners (2016). Increasing Efficiency and Value in Public Healthcare Procurement. GAP Taskforce on Government Health Procurement. Recommended that procurement become more outcomes-focused, recognise the importance of strategic relationships with suppliers, and encourage innovation among others.

International procurement models: CAN Health Network

CAN Health Network (2023). Leading the New Health Care Economy: Annual Report 2022-23. The Coordinated Accessible National (CAN) Health Network connects healthcare organisations with domestic innovators to test and refine technologies in real clinical environments using existing procurement frameworks.

Sovereign capability and value chain analysis

Worrall et al. (2021). Australian Sovereign Capability and Supply Chain Resilience. Perspectives and Options. Australian Industrial Transformation Institute. Used for value-chain “decisive points” framework and the identification of medical supplies as a priority category for domestic capability.

Manufacturing depth and critical mass

Parliament of Victoria (2010). Inquiry into Manufacturing in Victoria. Used for evidence that manufacturing generates substantial indirect employment, with local regional modelling indicating every 100 direct manufacturing jobs support a further 120 jobs, and nearly 200 indirect jobs in a wider metropolitan context. The report also discusses the importance of clusters and critical mass in building shared knowledge, bargaining power and high-skilled jobs.

Economic complexity and productivity

Harvard Growth Lab. Atlas of Economic Complexity. Australia ranked 74th (of 145) on the Harvard Economic Complexity Index, forecast to grow at 1.2% annually (123rd of 145). Productivity Commission (2023). Advancing Prosperity: 5-Year Productivity Inquiry. Identifies innovation policy, technology diffusion, skills, and a more dynamic economy as key enabler to future productivity growth.

Methodology used in generating this report

This action plan draws on a library of over 90 published industry, health and policy resources, cross-referenced with current evidence, and on extensive prior engagement with the Australian medical technology sector. AI tools (Claude, Anthropic; ChatGPT, OpenAI) were used to synthesise this material, map barriers and solutions, and iteratively draft and refine recommendations. Outputs were tested against source data and validated through AMMA roundtables and direct expert feedback.