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27 July 2007

Commerce Act Review
Ministry of Economic Development
PO Box 1473
Wellington

Dear Sir/Madam

Introduction of Clearance Process for Trade Practices

We would like to express our support for the proposal to introduce a clearance process for restrictive trade practices in New Zealand. We believe that the improved commercial certainty that will be achieved, without having to embark on a more costly and time-consuming authorisation process, will be beneficial to New Zealand businesses.

The ability to obtain clearance will result in reduced complaints from third parties where there is a perceived or actual risk of a restrictive trade practice or a *per se* offence under the Act (i.e. price fixing). This will save time and resources for business and for the Commission, enabling firms to focus on running their business and implementing innovative practices with certainty.

The reality in New Zealand is of high inflation in respect to healthcare costs and ever-increasing demand for health care services due to an ageing population. As New Zealand's largest health insurer and a not-for profit Friendly Society, Southern Cross Medical Care Society is constantly looking for ways to improve service to our members and to enhance competition in the private healthcare market.

Our strategic goal is to achieve "greater access to better healthcare for New Zealanders". We have, and will continue to look to implement initiatives which will enable us to achieve such a goal, thereby benefiting a large section of the New Zealand public.

As such, it would be very beneficial for us, our 800,000 plus members, and the private healthcare market if we could focus on achieving the benefits we believe are possible through our initiatives, with the certainty that could be obtained from Commerce Commission clearance.

We look forward to hearing about progress on this proposal in due course.

Yours sincerely



Rachel Cunningham
General Counsel

