



INDEPENDENT CONSUMER & COMPETITION

CORPORATE PLAN & PRIORITIES

2005 - 2007

“Fostering an Informed & Fair PNG Market”
“Fostering an Informed & Fair PNG Market”

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The Team - 2005

The Commissioners



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Acting Commissioner & CEO



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Senior Management



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Foreword

The passage of the *Independent Consumer and Competition Commission Act 2002*, introduced a new dimension in the conduct and behaviour of businesses in this country. It meant businesses will now face new challenges in the way they conduct their business. In particular, businesses will have to comply with market conduct rules and fair trade practices and at the same time being mindful of consumer interests. It is all about correcting market failures which have, for so long, worked to the detriment of the people through indiscriminate price increases and low service delivery standards. This however, does not mean that the Independent Consumer and Competition Commission (ICCC) is anti business. To the contrary, the ICCC is very much pro business and is ready and willing to work with businesses to improve current performance levels. This, in turn, will mean prosperity and growth in businesses and the economy thereby giving the consumers choice of more and better goods and services at affordable prices and which meet minimum service delivery standards.

Further, the ICCC has a far broader mandate than was the case with its predecessor, the Consumer Affairs Council which had a narrower and limited focus on controlling prices of certain regulated goods and services and protection of consumer interests only. There is also a change in emphasis and focus from the original policing and watchdog orientation to promotion and protection of competition and fair trading in the market place. The expansion of the regulatory provisions of the ICCC Act poses great challenges for businesses and it will not be easy. However, it is this very challenge that all stakeholders will have to come to appreciate and understand fairly quickly and undertake the necessary changes in the way we think and do business.

In our endeavour to create a market that is competitive, fair and conscious of consumer interests, the ICCC has developed a 2005-07 Corporate Plan which sets out the strategies for achieving its goals and priority activities during the period.

The Corporate Plan also sets out its role and functions and highlights its mandate, mission statement, values and aspirations as well as the priorities for the next three (3) years. The ICCC wishes to exhibit and exercise good governance with the highest levels of professionalism, transparency, accountability and integrity in discharging its duties.

Also in accordance with the ICCC values, the ICCC culture will be that of being accessible, pro active, focussing on outcomes and committed to our mission. The recruitment and training of staff will seek to maintain that culture.

I wish to take this opportunity to congratulate the Government for recognizing the important role of the ICCC at this juncture and the impact it may have on the people as a direct result of the improved performance of the economy and service delivery standards.

.....
Thomas Abe
Acting Commissioner & CEO

Policy Statement

The establishment of the Independent Consumer and Competition Commission came as a direct result of a major regulatory reform conducted in 2001. It is predicated upon a number of important policy considerations and factors including:

- (1) The importance and the need for economic regulation as a means to correcting market failures and distortions aimed at maximizing economic efficiency in industries through measures such as promoting competition, price surveillance and monitoring, consumer protection, third party access and setting minimum service delivery standards;
- (2) The recognition by the Government of short comings of existing economic regulatory frame work; and
- (3) The recognition by the Government that well functioning markets require a strong foundation in effective governance and institutions that perform their mandated activities with predictability and in a transparent manner.

This is a reflection of a totally new approach to regulating economic activity in PNG.

A much more improved performance of the economy and improved service delivery levels of State owned entities are at the core of the current economic recovery drive. Regulatory reform, partial privatization, improving corporate governance, transparency and accountability, among others, are essential elements of the drive to improve performance. The establishment of the ICCC therefore, is critical to realizing the objectives of the reforms and the drive to enhancing economic performance.

Under the new and revitalized approach, the ICCC is an independent body and as such maintains the highest levels of integrity and professional conduct and, of course, accountability. It is for this reason that the law provides that the decisions of the Commission may be appealed through an Appeals Panel.

In terms of policy objectives, the ICCC is expected to play a major role in the Government's efforts to building on earlier reforms and to sustain economic recovery but, the necessary building blocks must be in place before this can be done and this is where ICCC comes in.

In a speech at the launching of the ICCC held on the 8 May 2003, the Treasurer emphasized the need for the continuation of market-based macroeconomic policies, which promote investment in the context of low inflation and effective macroeconomic management but at the same time highlighted the Government's commitment to programs of economic reform and market liberalization.

The Treasurer also foreshadowed that "regulation is not just about constraining the abuse of monopoly power...it is also concerned with managing the development of competition and the promotion of the Government's social and economic objectives".

In the context of the economy, the Treasurer emphasized the Government's commitment to improving the living conditions of the people through positive and forward looking initiatives that will ensure the economy and agencies of the Government are performing. He highlighted the regulatory contract with PNG Power as the case in point where PNG Power is under obligation to perform and reduce its prices over a period and improve its service delivery or the consumers will be entitled to a rebate.

The ICCC therefore, is at the centre of the Government's efforts in this respect. As part of the new approach and while encouraging well functioning markets, the ICCC represents a strong foundation of effective and good governance.

Our Vision

In encouraging fair trade and promoting competition in the PNG market, the ICCC has the following Vision:

“To Foster an Informed & Fair PNG Market”

Our Mission

Consistent with the ICCC Act of 2002, our mission is to enhance the welfare of the people of Papua New Guinea through:

- Encouraging fair trade and protecting consumers;
- Promoting competitive and informed market;
- Regulating declared goods and services and declared industries where competition is restricted; and
- Develop our agency and ensure efficient use of our resources.

Our Value

The following values have been encompassed:

- Professionalism and ethical conduct
- Transparency
- Accessibility
- Independent and fairness

Corporate Mandate & Direction

The Independent Consumer and Competition Commission derives its powers and functions primarily from *The Independent Consumer and Competition Commission Act 2002*, but it also exercises power and responsibilities under other legislation.

The objective of the ICC Act is to enhance the welfare of Papua New Guineans through the promotion of competition and fair trade in the market, protection of consumer interests and regulation of prices and service delivery standards in respect of State owned enterprises.

The ICC is the only national regulatory body that acts as a consumer and business watchdog. The provisions of the ICC Act apply to all businesses in Papua New Guinea including government enterprises. The ICC Act also applies to conduct outside PNG which affects the PNG market.

Primary Legislation:

Independent Consumer and Competition Commission Act, 2002
Prices Regulation Act, 1949
Trade Measurement Act, 1973
Telecommunications Industry Act, 2002
Electricity Commission Act, Chapter 78
Harbours Board Act, (Chapter 240)
Essential Services Act, 2002
Compulsory Third Party Motor Vehicles Insurance Industry Act, 2002
Insurance Act, 1995
Motor Vehicle (Third Party Insurance) Act, (Chapter 295)
Postal Services Act, 1996

Related Legislation:

Community Services Trust Act, 2002
Trade Marks Act, 1978
Commerce Act, 1952
Baby Food Act, 1977
Bread Act, 1974
Commercial Advertising Act, 1976
Dental Charge Act, 1960
Drugs Act, 1952 & 1953
Goods Act, 1951
Hire Purchase Act, 1966
Instrument Act, 1953
Motor Car Dealer Act, 1976
National Standards Act, 1976
National Technical Standards Act, 1978
Packaging Act, 1974
Pawnbrokers Act, 1951
Poisons and Dangerous Substances Act, 1949
Public Health Act, 1974

Role, Functions and Objectives of the Commission

The primary role of the Commission is to administer and implement the *Independent Consumer and Competition Commission Act 2002*, and other related legislations.

In fulfilling this primary role, the ICCC performs a number of functions including:

- Performing such functions relating to price regulation, regulatory contracts, licensing, industry regulation and other matters as conferred on the ICCC by or under the ICCC Act or any other Act, including, without limitation, in relation to issuing, administering and enforcing regulatory contracts under Part III;
- Promoting and protect the bona fide interests of the consumers and businesses in relation to the acquisition and supply of goods and services;
- Making available information in relation to matters affecting the interest of consumers and businesses, including information with respect to the rights and obligations of persons under Papua New Guinea laws that are designed to protect the interest of consumers;
- Investigating complaints concerning matters affecting or likely to affect the bona fide interests of consumers and businesses in relation to the acquisition of goods and services and to enforce compliance with laws relating to such matters;
- Promoting and protecting competition in the market and to enforce compliance with laws relating to market conduct and behaviour in Papua New Guinea in accordance with Part VI of the ICCC Act;
- Monitoring the operation of, and review from time to time, codes and rules relating to the conduct or operation of regulated entities;
- Advising and make recommendations to the Minister in relation to any matter referred to the ICCC by the Minister; and to advise and make recommendations to the Minister with respect to any matter connected with the ICCC Act or with respect to any matter connected to any other Act which confers functions on the ICCC; and
- Such other functions as may be conferred on the ICCC by any other Act.

In performing its functions and exercising its powers under the ICCC Act, the ICCC will have regard to the following primary objectives:

- (a) Enhance the welfare of the people through the promotion of competition and fair trade and the protection of consumers' interests;
- (b) Promote economic efficiency in industry structure, investment and conduct; and
- (c) To protect the long term interests of the people with regard to the price, quality and reliability of significant goods and services.

These broad objectives are complemented by a set of facilitating objectives which are detailed under **Section 5(2) of Part II of the ICCC Act 2002** as follows;

- (a) To promote and protect the **bona fide** interests of consumers with regard to price, quality and reliability of goods and services;

- (b) To ensure that users and consumers (including low-income or vulnerable consumers) benefit from competition and efficiency;
- (c) To promote and encourage fair trading practices;
- (d) To prevent the misuse of market power;
- (e) To promote and encourage the efficient operation of industries and efficient investment in industries;
- (f) To ensure that regulatory decision making has regard to any applicable health, safety, environmental and social legislations; and
- (g) To facilitate effective competition and promote competitive market conduct.

Priorities

In accordance with the provisions of the Act and taking into account the theme for 2004, "Promoting Awareness and Compliance" and having substantially completed the establishment phase, the ICCC has the following priorities aimed at consolidating its pivotal position in enhancing compliance with the ICCC Act and other related legislations during the planned 2005 – 07 period.

As a new establishment, the ICCC seek to:

1. Inform all stakeholders about the ICCC Act and the roles and functions of the Commission
2. Achieve compliance with the ICCC Act
3. Use our resources effectively and efficiently

Priority 1: Inform all stakeholders about the ICCC Act and the roles and functions of the Commission

Strategies

1. Undertake information programs promoting a general awareness of rights and obligations under the ICCC Act, targeted firstly at businesses followed by the general public.
2. Undertake information programs through the news media and other modes of publication targeted at increasing public understanding on the roles and functions of the Commission.
3. Establish effective networking with relevant local and international agencies through Memorandums of Understanding and treaties.
4. Contribute to public awareness on market conduct rules, competition and consumer protection law, regulatory contracts and declared goods and services.

Performance Indicators

Number of information programs undertaken and their effectiveness measured through feedbacks received from the business community and the general public.

Number of media releases and the extent to which they are usefully reported in the news media and other modes of publication.

Currently weekly news articles are published in the National daily paper informing the public on the roles and functions of ICCC.

Signing of several Memorandums of Understanding have taken place. Other agreements between Provincial governments and statutory bodies are also underway.

Number of seminars members of the Commission address within a year and the feedback received from those addresses.

Priority 2: Achieve compliance with the ICCA Act

Strategies

Performance indicators

- | | |
|---|---|
| 1. Attend to complaints and inquiries covering both Part VI and VII of the ICCA Act and other relevant legislation. | Timeliness and efficiency with which complaints and enquiries are dealt with and the quality of the responses produced. |
| 2. Develop appropriate codes and protocols for “product recalls” to ensure quality assurance and control and the safety of consumer goods and services. | Developed protocols which are effective in achieving the desired outcomes. |
| 3. Management of regulatory contracts and declared goods and services. | Timeliness and efficiency in conducting reviews of these activities.

Effectiveness in the discharging of community service obligations and adherence to contracts by the relevant parties. |
| 4. Investigate proposed acquisitions to establish whether they will, or will be likely to, have the effect of substantially lessening competition. | All proposed acquisitions thoroughly investigated and considered by the Commission. |
| 5. Develop appropriate clearance and authorisation processes, procedures and mechanisms. | Developed system in place for the effective enforcement of competition provisions of the ICCA Act. |
| 6. Maintain a public register of applications for clearance and authorization. | Register kept up to date with all relevant documents accessible to interested parties. |
| 7. Review effectiveness of significant areas of enforcement and compliance activities. | Ascertain the effect of enforcement and compliance actions in achieving the Commission’s vision which is to foster a competitive, informed and fair PNG market. |

Priority 3: Use our resources effectively and efficiently

Whilst the strategies encompassed in the other two priorities can be identified to each respective Divisions of the Commission, priority three applies to all members and staff of the ICCC in the manner our resources are utilised.

Strategies

1. Increase the manpower skills, knowledge and abilities to enable them to respond effectively and efficiently to the Commission's priority work programs and confronting issues.
2. Develop and maintain a working environment where conditions of employment and pay are founded on the principles of equity and efficiency and further, ensure there is a safe and healthy environment.
3. Explore revenue generation measures to cater for any shortfalls as a result of budget cuts.
4. Proper information management for effective decision making.

Performance indicators

Managers to be responsible for training and development of their staff.

Strategic training plan developed to enable flexibility in meeting changing priorities and community concerns.

Systems of communication with staff, (e.g. through appraisal and feedback and Division meetings) adopted and utilised.

Staff survey held annually.

Happy working environment with high degree of staff satisfaction measured through staff survey.

Revenue generation programs (e.g. through treasury bills) established and extra funds generated.

Managers and staff take responsibility for their information needs.

Filing references created and appropriate file covers purchased.

Computer network in place with 95% availability standard.

Information technology strategic plan reviewed, implemented and regularly evaluated.

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