



JUSTICE AS DRIVER OF GROWTH

Session 2: Commercial Judicial System

TOPIC

CONSUMER DISPUTE: ADDRESSING CONSUMER RIGHTS AND THE ROLE OF THE ICCC IN PAPUA NEW GUINEA

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Session 2: Commercial Judicial System

Opening Remarks



Thank you, Master of the Ceremony.

I would like to firstly acknowledge the presence of the **Chief Justice of the National and Supreme Court of Papua New Guinea, the Hon. Sir Gibuna Gibs Salika, GCL, KBE, CSM, OBE, European Union Ambassador to Papua New Guinea, Her Excellency Erika Hasznos,** and other **Honorable dignitaries.**

The Honorable dignitaries, esteemed speakers, distinguished guests, members of the fraternity, government, civil society, and colleagues, good afternoon to you all.

I am honored to speak on behalf of the ICCC to present views in this important national dialogue on the topic "**Consumer Disputes - Addressing Consumer Rights and the Role of the ICCC in PNG.**"

This afternoon, we are gathering to discuss a crucial aspect of our economy: **consumer disputes in the view of the consumer protection and competition regulation in Papua New Guinea.** As we focus on "*Justice as Driver of Growth*," it's essential to know the vital role the ICCC plays in **protecting consumers and promoting competition and fair trading under the current regulatory framework.**



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Presentation Outline

- Background
- ICCC Regulatory Framework
- The Role of the ICCC
- Importance of Consumer Protection
- Consumer Disputes
- Challenges and Opportunities
- Key Initiative
- Conclusion





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Background

- The Consumers Affairs Council (CAC) was established in 1993 through the *Consumers Affairs Council Act 1993* (CAC Act). **Its primary role is to protect consumers on the price, quality, and reliability of goods and services in PNG.**
- In 2002, the Independent Consumers and Competition Commission (ICCC) was established through the *Independent Consumer and Competition Commission Act 2002* (ICCC Act). **The transition aims to strengthen the regulatory framework governing consumer affairs and competition in PNG.**
- The ICCC Act basically deregulates direct Price Control under the CAC Act to **promote competition, fair trading, regulate prices for certain goods and services, and protect consumers' rights and interests.**
- Consumer rights and the role of ICCC in addressing consumer disputes under the ICCC Act 2002 and other subsidiary legislation it administers, with the vital role of the judicial system, are critical for sustainable economic growth.
- This presentation will briefly discuss existing regulatory arrangements, the role of the ICCC, the importance of consumer rights, consumer disputes, challenges and opportunities, and key initiatives to address consumer disputes in PNG.





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Regulatory Framework

1. Establishment and Mandate

- ICCC was established and mandated to enhance the welfare of the people of Papua New Guinea through promoting competition, fair trading, regulating prices, regulating business practices, and protecting consumers under the ICCC Act 2002.
- ICCC also has a mandate under some legislations that govern consumer protection in PNG, which the ICCC administers, including:
 - ✓ *Prices Regulation Act 1949*
 - ✓ *Packaging Act 1979*
 - ✓ *Weights and Measures Regulation 1974*
 - ✓ *Bread Regulation 1974*
 - ✓ *Fairness of Transactions Act 1993*
 - ✓ *Commercial Advertisement (Protection of the Public) Act 1976*





2. Governance Structure

- The Commission comprises one Commissioner and two associate Commissioners.
- The Senior Management Committee (SMC) implements Commission resolutions and reports to the Commission. Members of the SMC are the Executive Managers from six divisions and the General Manager functioning under the Commission. The Commissioner and CEO is the Chairman of the SMC.

3. Functions and Powers

- **Regulatory functions and powers** - enforce consumer protection laws, regulate prices, regulate business practices, and monitor competition.
- **Investigative functions and powers** - investigate complaints and conduct enquiries.
- **Enforcement functions and powers** - impose penalties and issue orders.





4. Accountability and Transparency

- **Reporting requirements** - submit an annual report to the Minister before 30 June of each year (s25).
- **Transparency** - publish guidelines, policies, and decisions.





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THE ROLE OF THE ICCC

The ICCC plays a vital role (s6) in:

- **Price Monitoring:** Monitoring and regulating prices of declared goods and services to ensure they are within a reasonable range.
- **Industry Regulation:** Regulating declared entities in declared industry through regulatory contract.
- **Promoting Competition:** Promoting competition and fair trading to encourage a level playing field for businesses to operate fairly and efficiently.
- **Protecting Consumers:** Ensuring fair trading practices, enforcing consumer rights, and promoting competition
- **Consumer Education:** Educating consumers about their rights and responsibilities
- **Investigating Complaints:** Looking into breaches of consumer rights and taking action against businesses that violate these rights





The ICC's role is crucial in handling consumer issues as outlined above. Here are some highlights on key areas:

- **Strengthening collaboration** between stakeholders, including businesses, regulatory bodies, and consumer organizations.
- **Enhancing consumer awareness** and education on their rights and responsibilities.
- **Ensuring effective dispute resolution** mechanisms are in place.





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Importance of Consumer Protection

Take a moment to consider this situation. If there are no consumers, what do you think would happen in the market and economy?





- There would be no demand for goods and services.
- Businesses would struggle without customers to sell their goods and services
- Reduction in production
- The market will be contracted, resulting in business closure
- There would be a decline in economic activity
- A business shut down would create unemployment
- There would be a decline in economic growth





Consumers are the heart and driver of the economic activities in PNG. So the consumers' rights and interests are critical in the economy, which must be protected. Section 104 of the ICCA Act provides that;

"It is the policy of the State to protect the rights and interests of consumers and to monitor standards for ethical conduct of those who engage in the production and distribution of goods and services".

There are several reasons why consumer protection is important, and consumer protection laws ensure that it:

- **Promote fair market practice** to ensure businesses conduct themselves fairly and transparently and refrain from deceptive conduct.
- **Safeguards Consumer rights** to ensure consumers have access to safe products, accurate information, and fair treatment.
- **Encourage trust and confidence** to ensure trust between consumers and businesses and promote a healthy economy.
- **Supports economic growth** by ensuring fair competition, promoting economic growth, and innovation.





Consumers are an important driver in the market and economy. Hence, the law exists to ensure consumers' rights are protected by promoting competition and fair trading, regulating prices of declared goods and services, regulating business practices, and protecting consumers' interests so that both consumers and businesses are on a level playing field for sustainable economic growth.





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Consumer Disputes

1. Consumer Rights

Consumer disputes are based on rights, and the law creates those rights.

Section 105 of the ICCA Act provides that consumers, in their capacity as consumers, have the following rights:

- *Right to Safety*
- *Right to Choice*
- *Right to Consumer education*
- *Right to Information*
- *Right to Representation*
- *Right to Redress*

ICCA plays an important role in educating consumers on these rights.





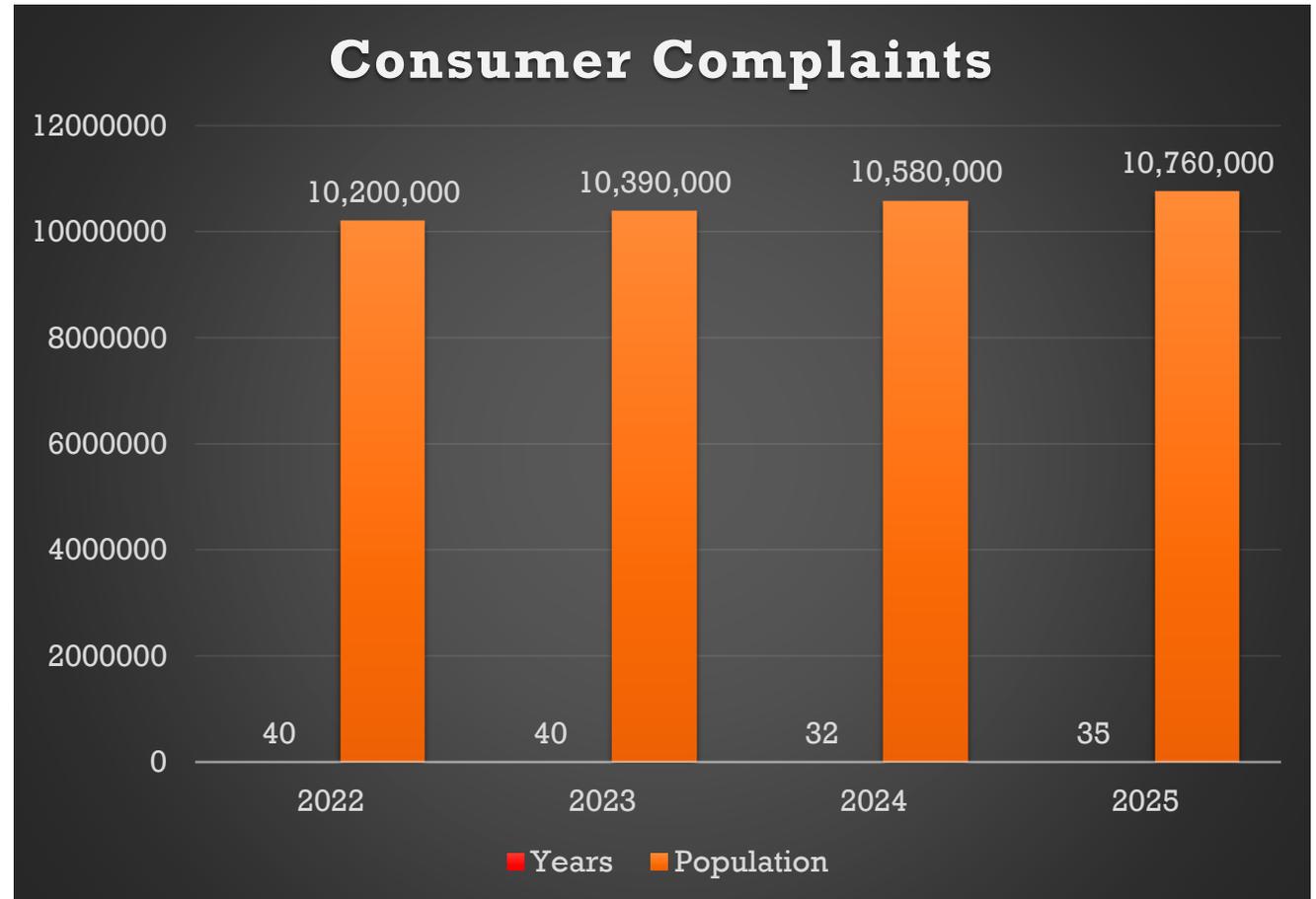
1. Consumer Disputes

ICCC received disputes from consumers in various areas, including:

- counterfeit/substandard/contraband/defective products
- Packaging and labeling
- Prices/charges
- Registration/licenses
- services/charges
- Tender and contracts
- Many others

ICCC received consumer complaints, which is only 3% of the consumer population (10 million plus) in PNG.





The graph above shows the consumer complaints ICCC received from each Year (2022 -2025).





- Consumer complaints are many; however, based on the graph, the ICCC received complaints from only 3% of the population to deal with them. Some complaints of the 3% were referred to other agencies to deal with them under their respective laws.
- More collaboration is needed to effectively address consumer disputes that border on the jurisdiction of other organizations relating to consumer protection laws. Example: NDoH, on food safety provisions under the Food Sanitation Act 1991, etc.





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CHALLENGES AND OPPORTUNITIES

The ICCC faces challenges and opportunities in regulating a complex and dynamic business environment, such as:

- **Regulating Digital Markets** where there are no consumer protection laws to ensure fair competition and consumer protection in e-commerce.
- **Enhancing Consumer Education** where there is a lack in building consumer awareness and empowerment.
- **Strengthening Enforcement**, where laws need to be reviewed to give more power to the ICCC to improve the ICCC's capacity to investigate and prosecute breaches.
- **Building capacity** where there is a lack of manpower and funding. Need to increase manpower and funding to carry out ICCC's roles.
- **Initiating legal proceedings** for case precedence where there are lack of case precedence in the regulatory offence under the ICCC laws and assist courts to appreciate the issues of jurisdiction ICCC have under the existing consumer protection laws.





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Key Initiative

To effectively address consumer issues, ICCC needs to:

- **Strengthened Legal Frameworks** by reviewing and updating consumer protection laws. Example, a review undertaken under taken to the ICCC Act to draft the *Competition and Consumer Protection Bill 2023*.
- **Increased Awareness** by increasing funding, manpower, and educating consumers and businesses on their rights and responsibilities.
- **Efficient Dispute Resolution** by reviewing and establishing effective mechanisms for resolving consumer disputes.
- **Collaboration** to foster cooperation between government agencies, the private sector, and civil society to protect consumers' rights and interests in addressing consumer disputes.





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What enables markets to function well?

What enables consumers to trust traders?





Consumer protection enables consumers to trust traders. Businesses should be able to rely on competition laws being properly enforced in order to ensure they are competing on a level playing field. Consumer protection and competition laws are therefore about maintaining integrity in markets so they operate efficiently for the benefit of participants. In doing so, it will also help reduce consumer disputes in PNG.





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CONCLUSION

- In conclusion, protecting consumer rights and addressing consumer disputes whilst appreciating challenges, and having a vibrant judicial system and process to deal with consumer issues are crucial for promoting economic growth, fairness, and justice in PNG. The ICCC plays a vital role in this endeavor to protect consumer rights and interests.
- Let's all work together to strengthen consumer protection mechanisms and promote a culture of fairness and transparency in a marketplace that benefits both consumers and businesses in PNG.





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Thank you

Thank you, Business Council of PNG, for giving this opportunity to the ICCC to engage and contribute to this important national dialogue.

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