



INDEPENDENT CONSUMER & COMPETITION COMMISSION

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REPORT NO: #1/2006 ON THE CONSUMER PRODUCT CONSULTATIVE COMMITTEE (CPCC)

INTRODUCTION

The *Consumer Product Consultative Committee* (CPCC) held its meeting No. #1/2006 on the 30th of March 2006. This was the third meeting of CPCC since its launching on the 27th of July 2005

The industries, government agencies and stakeholders have been very supportive in the consultative process of CPCC. Through the CPCC, issues raised have created awareness among the industries, government agencies and stakeholders to closely address the grey areas between the regulatory and enforcement regimes. This has greatly assisted the industries in realizing the interests and welfare of the consumers while at the same time protecting their interests.

ISSUES DISCUSSED AT CPCC MEETING

In the third CPCC meeting No. #1/2006 speakers were invited from several government agencies to present the legislative and regulatory requirements of the services they provide;

- What are the Mandatory Product Standards by NISIT.
- Current Food Sanitation Regulation by FSC – Department of Health.
- Codex by National Codex Secretariat – DAL

The presentations centered on the standard of products especially food and food products.

The Food Sanitation Regulation which will be shortly finalized and gazetted defines the regulatory requirement of food and food products which was very informative to the members of the CPCC that are involved in the Food Industry.

Issues

The following issues were raised;

- Food Sanitation Regulation
 - Use of food coloring without proper information;
 - Provide training and awareness for food handlers in Kai Bars and Fast Food Shops;
 - Provide education in basic hygiene in schools, homes and the informal sector;
 - Enforce mandatory standards and licensing for industries.

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- Shipping Fees
 - Additional fees charged by government agencies in quarantine, harbour and passenger services provided are not favourable for the industries.
- Pirated/Fake Products
 - Government Agencies have been slow in responding to the industries requests;
 - Copyright and exclusive dealership of products are not been enforced;
 - Inferior quality of goods are supplied in the market;
 - Lack of implementation and enforcement of Anti – dumping laws.
- Product Standards
 - No testing facilities for consumer goods such as shoe and clothes;
 - Copyright and exclusive dealership of products are not been enforced;
 - No standard requirements and conformance certification.

Lot of the issues raised above hinges on the government policies and legislative changes to translate into reality to benefit the consumers, stakeholders and the industries. This has been hindered by the lack of resources, manpower and cooperation from government agencies and stakeholders.

ICCC can only do as much as it can under its mandate through the collaboration and sharing of information with other government agencies, stakeholders and industries that have common goals in protecting the interests and welfare of the people. This has been achieved through the CPCC and the signing MOUs with government agencies.

PROGRESS

(a) Food Sanitation Regulation – FSC

The Food Sanitation Regulation drafted under the Food Sanitation Act No. 29 of 1991 defines the food and food product requirements that cover;

- Appointment of Food Inspectors;
- Standards of Food and Food Products;
- Packaging and Labeling – Expiry Date and Language;
- Cleanliness and Hygiene;
- Inspection, Sampling and Analysis;
- Storage Premises and Accommodation;
- Licensing.
- Penalties

This regulation addresses some of the issues raised in the CPCC Meeting on the regulatory requirements of food products, labeling and expiry dates.

The final draft of the Regulation is now before the Legislative Council for endorsement and approval by the NEC.

To ensure the effective implementation and enforcement of the Regulation training is provided for Food Inspectors and Stakeholders. A grace period has been given under the regulation for the industries to implement the changes.

(b) Standards – NISIT Functions

NISIT established under the National Institute of Standards and Industrial Technology Act is responsible for the development of Technical Standards and to support Commerce, Trade and Industrial Development in Papua New Guinea.

It was brought to the attention of CPCC that NISIT has developed mandatory standards for use by the industries that are referenced under the various Acts and regulations such as;

- Electrical standards – PPL Technical Regulation
- Food standards – Food Sanitation Regulation
- Quality Management standards – NISIT Laboratory Accreditation
- Measurement standards – Trade Measurement Act

The use of the mandatory standards have played major roles in the development of the industries in the uniformity of the services provided such as the PPL Technical Regulations.

(c) Codex – National Codex Secretariat DAL

The National Codex Secretariat - DAL is PNG's contact point for the Codex Alimentarius Commission that is responsible for the development of international food standards. DAL's participation ensures that PNG is kept abreast of the latest developments in food standards in the international market especially for commercial and trade purposes.

These standards are adopted by NISIT as National Standards of Papua New Guinea to support commerce, trade and industrial development in Papua New Guinea. They are mentioned in the relevant Acts and Regulations related to trade, commerce and health such as the Food Sanitation Act and the Food Sanitation Regulation that is under review.

The implementation and enforcement of the Codex ensures the industries, stakeholders and consumers interest and welfare are protected.

(c) Consumer Related Legislation – Commercial Advertising Act

ICCC has now made submissions to the Legislative Council to have the *Commercial Advertising Act* to come under the jurisdiction of ICCC.

This will enable ICCC under its consumer protection mandate to enforce and protect the interest of consumers on misleading advertisement.

(d) Review of PPL Technical Regulation

The PPL technical regulation is now in its drafting stages.

(e) Shipping and Airline Industry Review on Freight Charges

The Shipping and Airline Industry Review papers have been completed and distributed to all the CPCC members, industries, stakeholders and the public for their comments. Several comments have now been received and will be posted for public viewing.

OBSERVATION

Lot of awareness has been raised among the industries through the presentations which have become a regular part of the CPCC program. It has identified areas that need to be improved especially in the liaison between the government agencies, industries, stakeholders and the consumers.

One such area is the use of standards in the industries to protect the interest and welfare of consumers and stakeholders. While at the same time improving the consistency and uniformity of the goods (food products) and services provided by the industries.

These standards can be applied across all forms of activities in the goods (food products) and services industries.

CONCLUSION

From the issues raised and the discussions, it is quite evident that the implementation and enforcement of standards must be encouraged and complied with, to weed out unethical practices that are prevalent in the market.

To cover some of the grey areas, in the past 12 months ICCC has made inroads into establishing an MOU with the Health Department as part of the network in collaborating and sharing of information to enhance both organizations' mandated functions.

The CPCC Secretariat must be commended for providing the necessary framework and avenues to address the issues.

THOMAS ABE

Commissioner & CEO
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