



# LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

11 January 2013

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### LAE CHAMBER OF COMMERCE INC.

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*Thank you*

### FROM THE PRESIDENTS DESK

The LCCI takes this opportunity to wish all Members a belated Happy New Year with the knowledge that the Chamber is prepared to continue its vigil on getting a better deal for businesses in the Province and Nation. There are a number of issues that are left hanging over us from last year and a few new ones that are likely to come up.

We are grateful that the work on the Lae City Roads Rehabilitation Project (LCRRP) is continuing and there are a number of roads that are ready to be opened, especially Sandpiper Road (Dekenai Constructions) and Central Avenue (Cameron Constructions). It appears that the continuation of work on these roads toward the end of 2012 was funded partly from the 2012 allocation, but over-runs were factored to be paid from the 2013 K100 million budget allocation. Hence some of the completed roads work remain unpaid, which is causing a problem to some of the contractors who have completed the work and are yet to be paid, which is hardly fair on them.

A letter from Lae Engineer Contractors Limited has been sent to occupiers of land on the old airstrip, which states that this company will resume the construction of a 4 lane Road down the centre of the Old runway in February 2013. We have approached the Lae Urban Local Level Government about this and they state they have no knowledge of a contract on the construction of this road.

This vital issue must be dealt with because the old airstrip has been used to store containers, and the Government has no alternate land available for storage of these containers. If the tenants on the old airstrip are kicked off then where will they go?

There are also some pressing issues with this construction company which were raised in the Review on the LCRRP. It appears that they did not have a contract for this road construction in the first place and that they may have acted inappropriately. We will pursue to find out the validity of this contract.

As I mentioned in the LCCI pre-Christmas Newsletter – *"It is disturbing that work on the section of Markham road, between Coronation Drive and Huon Road Junctions has been stopped, because land has been allocated right across the existing road – described as Allotment 83, Section 2. This bungle is likely to stop work on this road and further cause disruption to the smooth flow of traffic"*. The LCCI now believes that the impending construction of this 4 lane airstrip road is to cover up for the massive blunder of allocating the block of land on Markham Road.

The LCCI has called for a meeting of all authorities concerned to iron out this and other problems concerning the LCRRP. We are pressing for the establishment of the recommended Project Management Unit (PMU) that was recommended in the LCRRP Review Report. This committee will manage all the Lae Roads Contracts. We believe that the PMU will be able to deal with all the local issues for these contracts including (but not limited to) – overseeing designs and BOQ's; overseeing the recommendation of tenders and documents; supervising contractors; strength testing; location of signs, crossings and street lights; checking contractors performance etc.

The will of course be other roads to be included for upgrading in 2013 under the continuation of the LCRRP, and we believe that this PMU will be able to make the final decision on which are the roads to be prioritized!



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**Objectives  
of the LCCI**

- To promote the business interests of the private sector;
- To further the economic development in Lae;
- To ensure the provision of services and utilities essential to such development;
- To provide a representative body for business people, which government can consult;
- To promote support or oppose legislation; or take any other measures to improve the business community;
- To provide a forum for discussion of private sector goals;
- To pool the strengths of business people so that together, they can accomplish tasks that each one alone cannot achieve;
- To promote the economic viability of the area, so those current businesses will grow and new ones will be



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**ROAD WORKS FOR 2013 (Cont)**

Whilst the LCRRP has addressed the rehabilitation of the major Lae trunk roads that had all but collapsed, it is now urgent that the Province revitalize the remaining roads that are deteriorating rapidly.

The Province, through its Lae Urban Local Level Government, is responsible for the maintenance of the Lae City Roads. The Industrial Roads that were upgraded over a decade ago by the Australian Government are all breaking up, especially the road junctions and roundabouts that have to withstand so much pressure. The roundabout at the Milfordhaven Road/Highlands Highway junction is now stripped of its asphalt surface, even after several attempts to reseal it. It is our opinion that this roundabout must be reworked completely before the integrity of the road base is lost, as any form of reseal will not last.

We have heard a lot of comments that these industrial roads should have lasted more than 12 years, which is absolutely true. The roads would have lasted longer had the asphalt surface been replenished frequently and the weights controlled. Most engineers agree that asphalt is the best road surfacing material as it is flexible but it deteriorates under the weather conditions and needs to be resurfaced regularly. Depending on the type of use, the asphalt should be regenerated (usually a single coat seal is sufficient) between 5 and 10 years. If this is done according to a schedule the roads will last indefinitely.

Most of these Lae Industrial Roads can be rescued, if they are attended to soon. If not then the Government will be faced with another hefty rehabilitation road bill.

**EDUCATION**

The LCCI has been concerned about the standard of Technical Training in Lae for years. With the National Polytechnical College (Lae Tech) and UNITECH both based on Lae, we have the perfect opportunity of receiving the best technical training for our employees and potential employees in the country. However for a number of reasons this has not happened.

The LCCI now has representation on the Polytechnical College Board and I have recently been appointed to the interim UNITECH Council. Although there are still matters to be sorted out between the old University Council and the new regime, we have a great opportunity to influence the better utilization of these institutions. With Newcrest and Exxon Mobil very interested in pursuing the opportunity of making Lae the "HUB" of Technical Training in the country, we have the very good chance of tailoring the courses to better suit the relevancy of Industry needs.

I have been asked to present a case for Industries Training Development needs to the Prime Minister on Monday next week and at a "Lae Training Hub Meeting" later next week, and I see this as a perfect chance to change technical training in PNG to better suit industry needs.

**YOUR INPUT**

I would appreciate your advice on what you believe to be the needs and the deficiencies to technical training by Monday if not before, so I can make a strong case ON BEHALF OF THE Private Sector.



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## ANNOUNCEMENT BY WATER PNG

We are planning emergency repair work on one of our main lines and this will affect water supply to Lae City.

The pumps are scheduled to go off on **Sunday** between **0930** hours to **1330** hours. We shall however mobilize to try to shorten this time.

We have advised Angau and also put a notice to the local Radio for the general public.

Waterpng apologizes for any inconvenience caused.

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## FLOODS CAUSING HAVOC

No longer had the LCCI started after the Christmas break, than we have to look at the disastrous situation caused by floods in the Province, in particular the Wau/Bulolo area and the affect on the Roads and the operation of business in the area. The Kumalu River is impassable and attempts to cross the river have resulted in devastation. The Prime Minister has allocated emergency funds to address the immediate problem with the Kumalu, and he will travel to the site on this coming Monday to see for himself what the problems are and what recommendations are in place to find a final fix for them.

The Kumalu is an ongoing problem but with the heavy rains most rivers along the Lae/Bulolo road flooded causing some form of damage. On Wednesday night the Wara Bung rivers between Timini and Wampit Villages flooded across the Highway, breaking up some of the road and littering it with debris. The villagers took advantage of this situation to close off the road, claiming that the damage or part of it, was exacerbated by the extraction of gravel by the Morobe Mining JV, and they wanted to be compensated for the damage.

Whilst the LCCI alerted the Police and the Administration to address the problem they were all slow to move on it and as of the time of writing this article, the road was still blocked by the villagers, who are allowing vehicles through only after a payment of K10. First they block off a public road and next they resort to extortion which are both criminal acts, and the villagers should be held to account for these illegal actions. These villagers should **never** be allowed to use intimidation to justify their claims and the Government should move swiftly to stop them. There are plenty of avenues available for them to have these claims heard.

The government must come to realise that the Private Sector still continues, whether it is the festive season or not. A good example of this is that the country may now be faced with a major chicken supply shortage, simply because this road has been closed for 2 days which has affected Zenag's access to the markets. This will open the door to more chicken imports which has become a very sensitive and controversial issue.

The whole world is watching the mining activities in PNG and the closure of the Bulolo Highway in an effort to extort money from MMJV will be interpreted as a disincentive to future investment in PNG. The Government must learn the importance of clamping down on these spurious claims immediately before they do irreparable damage to the nation.

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## Media Release.

For immediate release: 10 January 2013

### Westpac urges customers to be alert to online fraud in 2013

With all banks reporting an increase in criminal activity online, Westpac is warning bank customers not to become complacent in guarding themselves against online fraud in 2013.

"Online banking is a convenient and easy channel to do banking," says Westpac Managing Director, Ashleigh Matheson. "Unfortunately however, its growth in popularity has been accompanied by an increased presence of scammers trying to target people online."

While Westpac has a strong and sound system to protect customer's money, controls and security of personal details are compromised if a customer gives out their personal details to unauthorized third parties, Matheson says.

"For instance, there has been a rise in phishing emails received by customers. These emails can look like an email from Westpac, tricking victims into giving out their private information, such as addresses, banking details, passwords or PINs."

"You could receive an email that looks like a communication from a bank or financial institution asking you to follow a link to update your online bank account or login details, for example – this is a typical phishing email."

The link in the email can lead to a webpage that looks just like the real site, but it's a copy created to collect a customer's personal details. By following it, they could also download a program that captures their banking login details and sends their details to a third party.

What should customers do to keep themselves safe from online fraud? Ashleigh Matheson says the golden rule is **never to give out personal confidential information, including PINs and passwords, online.**

"Westpac would never email, phone or text customers asking for confidential information. Even if we need to verify a transaction you've made, we would never ask for those personal details."

As online banking becomes more and more popular in the Pacific, Matheson says it's critical that we get the word out to customers to be vigilant against fraud and guard themselves against being the target of a scam.

"After all, being safe online is everyone's responsibility."

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**Westpac**

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