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## PAPUA NEW GUINEA'S DRIVE FOR AN IMPROVED LAND ADMINISTRATION SYSTEM: ARE WE READY?

Eugene E. Ezebilo  
Logea Nao

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### Key Points

- The Australian Capital Territory (ACT) and Papua New Guinea (PNG) share common roots in their land administration systems.
- Land administration in the ACT is more effective and efficient than that of PNG.
- In order to improve the land administration system in PNG, it is necessary to decentralise activities associated with the system among agencies based on their competence. These include:
  - o The Department of Lands and Physical Planning (DLPP), which should focus on the release of land for development, titling and planning of areas of national interest.
  - o The Department of Justice and Attorney General (DJAG), which should be in charge of storing land titles.
  - o Private land developers (primary developers) who should be involved in the development, servicing and sale of land to individuals or corporate bodies (secondary developers) who wish to construct houses.
  - o Municipal councils, such as the National Capital District Commission (NCDC), which should be in charge of physical planning and the regulation of development.

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## PAPUA NEW GUINEA'S DRIVE FOR AN IMPROVED LAND ADMINISTRATION SYSTEM: ARE WE READY?

By Eugene E. Ezebilo and Logea Nao

The timely release, orderly development and proper titling of land has been a long-standing issue in PNG. This paper focuses on one of the findings from the article by Levantis (2016) regarding planning, development and management of land in PNG. It was reported in the article that land administration in the ACT is more efficient and effective than that of PNG. The comparative analysis was made because the PNG land administration system was modelled after the ACT system. The current paper focuses on the potential strategy that could be used to improve efficiencies and effectiveness in land administration in PNG. Land administration activities should be distributed among three government agencies in PNG, which is in line with the Canberra model, rather than the current system where one agency is involved in almost all of the activities. The DLPP should only focus on the physical planning of national interests and the release of land and titling. The DJAG should focus on storing land titles. Municipal councils, such as the NCDC, should focus on the regulation of development and physical planning of areas in their province. Primary developers should be responsible for developing, servicing and leasing land to secondary developers. This could help reduce the inefficiencies currently experienced in administering State-owned land, such as delays in releasing land, duplication of land titles and improper development of land. The potential strategy proposed here could reduce transaction costs and improve transparency in land administration in PNG. It is important to note that land in PNG can be categorised into State-owned and customary-owned. However, only State-owned land is considered in this paper.

### Land administration in the Australian Capital Territory

At the time of PNG's independence in 1975, the land systems of the ACT and PNG were almost the same. However, the ACT land system has undergone several changes to improve its effectiveness and efficiency. To promote efficiency and effectiveness in land administration in the ACT, the

administration is divided into three components (physical planning, land development and land titles), which are carried out by three different entities as follows:

- **Physical planning:** Activities associated with physical planning are carried out by the Environment and Planning Directorate. These activities include the administration of land leases and ensuring compliance, development of land use policy and formulation of physical planning frameworks.
- **Land development:** The Treasury and Economic Development Directorate oversees land development. However, some of its functions are passed to the Land Development Agency. To promote orderly development, land that is expected to be released each year is reported in the Indicative Land Release Program (ACT Government, 2019). This is used to plan land releases and predict demand for land. The Land Development Agency is involved in preparing the orderly release of land to the market, marketing land and land development, as well as managing revenue and the costs associated with land development. However, the Land Development Agency was split into two in 2017 under the City Renewal Authority and Suburban Land Agency Act 2017, which came into effect in July 2017. Under the current arrangement, the City Renewal Authority deals with land development in the central part of Canberra and focuses primarily on urban renewal. The Suburban Land Agency is involved in marketing, and the release and development of land for the remaining areas of Canberra.
- **Land titles:** The Office of Regulatory Services (ORS), which is within the jurisdiction of the Justice and Community Safety Directorate, operates as an independent body to oversee activities associated with land titles. The main responsibility of the ORS is safeguarding land title records. This includes storage of the records in electronic format and the registering of title transfers.

## Land administration in Papua New Guinea

Although the land administration system in PNG is based on the ACT model, in PNG it has remained mostly stagnant. Currently, the land administration system in the ACT is far more effective and efficient in the release, development and titling of land than that of PNG. In PNG, activities associated with land administration, such as physical planning, land development and land titles, are carried out by only the DLPP. This implies that power is concentrated in one government agency, which contributes to ineffectiveness and inefficiencies in land administration. The DLPP appears not to have the capacity for carrying out all the tasks associated with land administration. For example, land titles are associated with legal issues, which are not within the jurisdiction of DLPP. For this reason, most employees in DLPP may not have the technical competence to maintain a land register. However, the DLPP has continued to play the role with a lot of complexities and delays in processing land titles. This could have contributed to some cases of duplication of titles for a single parcel of land and unauthorised changes in land titles as reported by Wangi and Ezebilo (2017).

The physical plans in PNG are not well developed, competitive marketing is rarely used for land dealings, and transparency is almost non-existent. Moreover, DLPP does not have the institutional expertise in licensing and registration, which might have contributed to inefficiencies in maintaining land title records. To promote effectiveness and efficiencies in land administration, the system must be reviewed and activities associated with it decentralised.

## Potential strategy for moving land administration in PNG forward

The current land administration system in PNG has been used for several years. However, it has been associated with inefficiencies and ineffectiveness. To move the land administration process forward, it is necessary for DLPP to only focus on the activities it has the institutional capacity to undertake, while other activities should be moved to relevant agencies that have the technical competence to carry out those activities. The land administration activities could be carried out by different government agencies and non-government agencies as follows:

- **Physical planning, land release and titling:** Administration and enforcement of land leases, development of land use policies, and the formulation of physical planning frameworks and the creation of land titles fall within the expertise of DLPP. For this reason, DLPP should focus on activities associated with land

titling, physical planning in areas of national interest, such as protected areas, and trunk roads, as well as overseeing provinces that do not have a Physical Planning Board. Municipal councils, such as the NCDC, should be in charge of physical planning and regulation of development in areas within their jurisdiction. The DLPP should continue to be responsible for the release of land for development and titling. For the release of land, there is a need to develop an Indicative Land Release Program (ILRP), which could be used to bridge the gap between urban planning and the release of land to the market. The ILRP could be used for estimating the demand for land each year, which could provide policy makers with more understanding of the demand for land. It would also provide the DLPP with the opportunity to identify land releases that could match with the demand for land. It is necessary for the land released to the market to be sold through an auction process.

- **Storage of land titles:** These duties should be moved from the DLPP to the DJAG because it has the institutional framework to register and store titles. Employees of the DJAG have experience and competence in dealing with cases related to keeping records. In addition, transferring land titling activities from DLPP to the DJAG has the potential to reduce the duplication of titles and unauthorised alterations.
- **Land development:** This entails the provision of necessary infrastructure, such as potable pipe-borne water, sewerage, electricity and good road networks as well as ensuring that the principle of orderly development is adhered to. Private land developers (primary developers), who must be selected through a competitive tender process, should be in charge of developing the land that has been released by the DLPP. The developers will be responsible for creating subdivisions of the land following the minimum standard, servicing the land and leasing the subdivisions to individuals or corporate bodies (secondary developers) who wish to construct houses. It is the responsibility of the municipal councils, such as the NCDC, to monitor the activities of the private land and housing developers to see that minimum standards are adhered to. This is because agencies such as the NCDC have the expertise to oversee development in urban areas.

## Concluding remarks

Although the land administration system in PNG is based on the ACT model, which has undergone several changes, in PNG the land administration system has remained stagnant.

This has resulted in inefficiencies and ineffectiveness in the current system in PNG. If the intention is to move land administration in the country forward, there is a need to decentralise land administration activities. These activities should be carried out by different entities based on their competencies. The DJAG should focus on activities related to storage of land titles. The DLPP should focus on the release of land for development and the creation of land titles following a set standard. It should also focus on the physical planning of areas of national interest and oversee the activities of provinces that lack a Physical Planning Board. Municipal councils, such as the NCDC, should focus on physical planning in areas within their jurisdiction in collaboration with DLPP as well as be involved in the regulation of development. Primary private land developers should be responsible for developing, servicing and leasing land to secondary developers. This could assist with the timely release of land, the provision of necessary infrastructure before constructing houses and storage of land titles. It is hoped the strategy proposed in this paper will provide land use planners and urban development managers in relevant government agencies with more understanding of potential ways to make land administration work better in PNG.

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## About the authors

Eugene Ezebilo is the Deputy Director, Research at the PNG National Research Institute (PNG NRI). Ms Logea Nao is Research Fellow in the Property Sector Development Research Program at PNG NRI.